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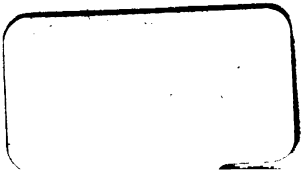

CHARTER

OF THE

STATE BANK OF INDIANA;

WITH ITS AMENDMENTS:

AND

THE BY-LAWS OF THE

DIRECTORS OF THE STATE BANK.

Indianapolis:

DOUGLASS & NOEL, PRINTERS.

1841.

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AN ACT

ESTABLISHING A STATE BANK.

APPROVED JANUARY 28, 1834.

State bank and branches created.

SEC. 1. *Be it enacted by the General Assembly of the State of Indiana*, That there shall be, and is hereby created and established, a State Bank with ten Branches, which, or so many as shall be organized under this charter, to be known and styled the "State Bank of Indiana," and shall continue as such until the first day of January, eighteen hundred and fifty-nine.

Name and style.

Directors to locate branches.

SEC. 2. The directors of the State Bank first appointed are authorized, and it is hereby made their duty to locate one Branch of said Bank at such place within each of the districts hereinafter named as they may deem expedient, to-wit:

District No. 1.

District No. One, composed of the counties of Marion, Johnson, Shelby, Hancock, Madison, Hamilton, Boon, and Hendricks.

Number 2.

District No. Two, composed of the counties of Dearborn, Franklin, Ripley, Switzerland, and Decatur.

Number 3.

District No. Three, composed of the counties of Union, Fayette, Rush, Wayne, Henry, Delaware, and Randolph.

Number 4.

District No. Four, composed of the counties of Jefferson, Jennings, Scott, Bartholomew, and Jackson.

Number 5.

District No. Five, composed of the counties of Floyd, Harrison, Washington, Crawford, and Clark.

Number 6. *District No. Six*, composed of the counties of Posey, Vanderburgh, Perry, Spencer, and Warrick.

Number 7. *District No. Seven*, composed of the counties of Knox, Sullivan, Daviess, Gibson, Pike, and Dubois.

Number 8. *District No. Eight*, composed of the counties of Orange, Lawrence, Monroe, Morgan, Martin, and Greene.

Number 9. *District No. Nine*, composed of the counties of Vigo, Clay, Owen, Putnam, Parke, and Vermillion.

Number 10. *District No. Ten*, composed of the counties of Tippecanoe, Fountain, Montgomery, Warren, Carroll, and Clinton, and of the territory lying north of Warren and Tippecanoe and west of Carroll and Cass, to the southern boundary of the north-west district.

Additional branches to be located.

SEC. 3. It shall be the duty of the Directors of the State Bank, after the expiration of one year, to locate an additional Branch in the district to be numbered *eleven*, composed of the counties of Adams, Grant, Huntington, Wabash, Miami, Allen, La Grange, Elkhart, and the unorganized territory attached to said several counties for judicial purposes: and after the expiration of three years, to locate an additional Branch of said Bank within the district of country lying north of the Wabash river, to be numbered *twelve*, and not included in any of the districts before mentioned: *Provided*, that there shall be more than three counties in said district: and like proceedings shall be had in organizing the same as are herein prescribed for organizing the other Branches; and the State stock therein shall be obtained in the same way, and paid over under the same restrictions and regulations as is provided for the other Branches: *Provided, however*, that nothing

herein contained shall prevent the Board of State Directors from paying the same out of the Sinking Fund of the State, or any surplus funds under their control.

Branch failing to organize, books may be opened annually thereafter.

SEC. 4. Should any of the Branches herein established fail to organize, as herein contemplated, it shall be the duty of the Directors of the State Bank, once in each year thereafter, if required by any number of the citizens who will be responsible for the expense, to open books of subscription within such district, and locate and organize a Branch therein at such place as they may select, if the amount of stock herein required shall be taken and paid for under the provisions of this act.

Office of state bank. Meetings of directors.

SEC. 5. The said State Bank shall keep an office at the town of Indianapolis, and the Directors thereof shall meet and hold their sessions at least once in three months. It shall be a body corporate and politic, with power to sue and be sued, plead and be impleaded, in any court of law or equity having jurisdiction, and to transact all other lawful business herein permitted them to do; and shall have power by and through her Branches, and not otherwise, to loan money, buy, sell, and negotiate bills of exchange, checks, promissory notes, and other evidences of debt; to discount on banking principles and usages, bills of exchange, post notes, promissory notes, and other negotiable paper or obligations for the payment of money; to receive deposites, to buy and sell gold, silver, bullion, and foreign coins; to draw, issue, and put in circulation bills, notes, post notes, bills of exchange, and other evidences of debt, payable to order or bearer and not otherwise; and all such notes and bills put in circulation as money, except post notes and bills of exchange, shall be made payable on demand; and to ex-

Corporate powers.

ercise such other incidental powers as shall be necessary to carry on such business.

What real estate may be held by bank.

SEC. 6. The real estate, which it shall be lawful for said Bank to purchase, hold and convey, shall be, first, such as shall be required for its immediate accommodation in the convenient transaction of its business; or second, such as shall have been mortgaged to it in good faith by way of security for stock, loans previously contracted, or for moneys due; or third, such as shall have been conveyed to it in satisfaction of debts previously contracted in the course of its dealings; or fourth, such as shall have been purchased at sales upon judgments, decrees or mortgages obtained or made for such debts; and the said Bank shall not purchase, hold or convey real estate in any other case, or for any other purpose; and all such real estate, not absolutely necessary for the convenient discharge of its business, shall be set up, at least once a year, at public sale, after having given thirty days' notice of such sale, describing the property so to be sold, and the name of the mortgager, in at least one newspaper in the district where said Bank is situate, and placing three written notices in the most public places in the town where the Bank is located; and shall be sold if the same will bring the amount of the debt, interest and costs for which the same may have been bought, received, or taken by the Bank, and which shall remain after deducting all profits received therefrom.

Shall be sold, &c.

Conveyances of real estate.

SEC. 7. All conveyances of real estate shall be signed by the President of the State Bank and have affixed the seal thereof.

Specie payment of notes, &c.

SEC. 8. The said Bank shall not at any time suspend or refuse payment in gold or silver of any of its notes, bills, or obligations due or payable, nor of any moneys received upon de-

posite; and if said Bank at any time refuse or neglect to pay any bill, note or obligation issued by such Bank, if demanded within the usual banking hours, at the proper Branch where the same is payable according to the contract, promise, or undertaking, therein expressed, or shall neglect or refuse to pay on demand as aforesaid, any moneys received on deposite, to the person or persons entitled to receive the same, then, and in every such case, the holder of any such bill, note, or obligation, or the person or persons entitled to demand or receive such moneys as aforesaid, shall respectively be entitled to receive and recover interest on their said demands, until the same shall be fully paid and satisfied, at the rate of twelve per centum per annum from the time of such demand as aforesaid; and any Branch so failing to meet its engagements may be closed as in case of insolvency.

Payment refused, holders, entitled to interest.

Sec. 9. The said State Bank and each and every Branch thereof shall mutually be responsible for all the debts, notes, and engagements of each other.

Bank and Branches responsible for each other.

Sec. 10. All suits or actions against said Bank on any contract or engagement made, or liability incurred by the board of directors, of the State Bank, or on any contract or engagement made, or liability incurred by the board of directors of any Branch, or on any bank bill or note, shall be brought against the State Bank of Indiana.

Suits against the bank, how brought.

Sec. 11. The process in such case shall be a summons, and shall be served on the President of the State Bank, in all cases where the contract, engagement, or liability sued for, shall have been made by the Board of Directors of said Bank; and in all cases where the contract, engagement, or liability sued on, has been

Process and on whom served.

made or incurred by a Branch, the process shall be served on the President of such Branch; and so also where the suit shall be brought on any bank bill or note, the process shall be served on the President of the Branch at which such bill or note shall have been made payable: or in all such cases, a copy of the process may be left at the banking house, or place of doing business of the State Bank, or of the proper Branch, as the case may be, during the usual hours of business, which shall be good service.

Copy of process left at banking house good service.

Directors, &c. of State Bank to be notified of suit against a Branch.

And it is hereby made the duty of the President, or any other officer, of any Branch, knowing of such service, forthwith to notify the President and Directors of the State Bank thereof. In all suits brought against said Bank, on any note, engagement, or liability of any Branch, such suit shall be brought in the county where such Branch may be situate; and all suits brought against the State Bank on any note, engagement or liability of the State Bank, shall be brought in the county of Marion.

Suits, where to be brought.

No stay of execution.

SEC. 12. There shall be no stay of execution on judgments against the Bank for notes issued or deposites made therein, except as herein provided for.

Interest chargeable at Bank.

SEC. 13. Said Bank shall be entitled to charge and receive for moneys loaned, six per cent. per annum and not higher, but the same may, according to Bank rules, be discounted and taken in advance out of the sums loaned.

Dividend of profits among stockholders.

SEC. 14. The profits arising, after paying expenses and reservation for a contingent or surplus fund, shall be divided among the stockholders, according to the amount of stock owned and paid in by each; and in making this calculation and division of profits, each Branch shall be independent of the others, and its own profits be divided among its own stockholders.

Fund retained for education in lieu of other tax.

SEC. 15. There shall be deducted from the dividends, and retained in bank each year, the sum of twelve and one-half cents on each share of stock, other than that held by the state; which shall constitute part of the permanent fund to be devoted to purposes of common school education, under the direction of the General Assembly, and shall be suffered to remain in bank, and accumulate until such appropriation by the General Assembly; and said tax shall be in lieu of all other taxes and assessments on the stock in said Bank. And in case of an ad valorem system of taxation being adopted during this charter, the said stock shall be subject to the same ratio of taxation as other capital, not exceeding one per cent. including the aforesaid tax, and the said tax shall only be assessed on such portion of the stock as shall have been paid, and on account of which, the stockholders shall not be indebted to the state.

Ratio of taxation under the ad valorem system.

Persons ineligible to offices in the Bank, &c.

SEC. 16. The person administering the government of this State, Secretary of State, Treasurer, Auditor of Public Accounts, Commissioner of the Canal Fund, Judge of the Supreme or any inferior Court, or any person holding an office or appointment under the authority of the General Government, shall not, while in such office, hold the office of President of the State Bank, Director of the State Bank, or President, Director, or Cashier of any Branch, nor that of a member of the General Assembly; nor shall any President, Cashier, or Director of any Branch at the same time hold the office of President or Director of the State Bank, on the part of the State, or the office of President, Director, or Cashier of another Branch.

Notes, by whom signed and where payable.

SEC. 17. The notes issued by said Bank shall be signed by the President of the State Bank, and shall be made payable at the Branch which shall issue the same, and shall be signed by the Cashier of such Branch.

Lands mortgaged to the Bank and sold for taxes may be redeemed within five years.

SEC. 18. No sale or forfeiture for unpaid taxes of any real estate, mortgaged to said Bank to secure the payment of loans made, shall, until the lapse of five years from such sale, operate to prevent said Bank from redeeming the same, on payment of such taxes and damages and interest thereon, as are required by law in other cases of lands forfeited and sold on account of unpaid taxes, if at any time after such sale and forfeiture, such real estate shall become the property of the Bank for the payment of any such debt.

Shall not buy or sell goods, &c.

SEC. 19. It shall not be lawful for said Bank at any time to use or employ any part of its capital stock or other funds in the buying or selling of goods, wares, or merchandize, or in any other business or dealing, than is by this act authorized and permitted.

Public deposites may be received.

SEC. 20. It shall and may be lawful for said Bank or any Branch thereof to accept, receive, and become responsible for the deposites and public revenues of the United States, upon such terms and conditions as may be agreed on by the agents of the General Government and a majority of the Directors of the State Bank.

Articles receivable on deposite.

SEC. 21. That it shall be lawful for said Bank to receive on deposite (except as above prohibited) moneys, bullion, plate and other articles of value of small bulk, on such terms and conditions as may be agreed upon by the parties.

Issue of notes under five dollars not allowed.

SEC. 22. No note shall be issued of a less denomination than five dollars; and the Legis-

lature hereby reserves the right, at any time after ten years, to restrict and prohibit the circulation and issue of any note for less than ten dollars. Right reserved to the Legislature.

Sec. 23. There shall be in said Bank and Branches an account created, opened, and kept with the Commissioners of the Sinking Fund, in which they shall be credited with the dividends of profits accruing to the State on her stock, and all other sums passing through or accruing in said Bank properly belonging to that fund, which fund shall be under the control and direction of the said Commissioners as herein provided. Accounts opened with Commissioners of the Sinking Fund.

Sec. 24. It shall not be lawful for the Directors of the said State Bank to locate any other Branch or Branches of said Bank than is herein authorized. No other Branch to be located.

Sec. 25. The capital stock of said Bank may be increased by individual subscriptions at any one or more Branches, by and with the assent and concurrence of the Legislature and Directors of the State Bank. Capital of Branches how increased.

Sec. 26. The General Assembly may at any time appoint an agent to examine the state and condition of said Bank, and each and every Branch thereof, who shall have the same power and rights as Examiners appointed by the Directors of the State Bank; and when any agent as aforesaid shall find and report, or the Governor of the State shall have reason to believe that the charter has been violated, it may be lawful for the Legislature to direct, or the Governor to order a *scire facias* to be sued out of the Marion Circuit Court in the name of the State (which shall be executed upon the President of the State Bank for the time being, at least fifteen days before the commencement of the term of said court) calling on the said cor- Agent may be appointed by the General Assembly.

poration to shew cause wherefore the charter hereby granted shall not be declared forfeited; and it shall be lawful for the said court, upon the return of said *scire facias*, to examine into the truth of the alleged violation; and if such violation be made appear, then to pronounce and adjudge that the said charter is forfeited and annulled; and every issue of fact, which shall arise in such proceeding, and may be joined between the State and the corporation aforesaid, shall be tried by jury, and it shall be lawful for the court aforesaid to require the production of such of the books of the corporation as it may deem necessary for the ascertainment of the controverted facts; and the final judgment of the Court aforesaid shall be examinable in the Supreme Court of the State, by writ of error, and may be there reversed or affirmed according to usages of law; and it shall be the duty of the Governor to employ counsel on behalf of the State, to prosecute such writ of *scire facias*.

Scire facias against S. Bank, when and for what cause to be issued.

Counsel to be employed.

Annual meeting of the stockholders of the Branches.

SEC. 27. That a general meeting of the stockholders of each Branch shall be held annually, at such time as the Directors of the State Bank shall direct, at which time elections for Directors shall take place, to which meeting the Directors of the preceding year shall exhibit an exact and particular statement of the state, condition and affairs of said Branch, and general meetings of the stockholders may be held at any other time, when ordered by the Board of Directors of the Branch.

Certificates of stock to issue, how transfer'd.

SEC. 28. Certificates of stock shall be issued to stockholders signed by the President and Cashier of the proper Branch, and may be transferred on the books of the Branch to be kept for that purpose, and not otherwise; in which case the old certificates shall be surrendered and

new ones issued. No stock shall be transferred, by any stockholder when any debt is due, or is then owing and to become due from such stockholder, but by the consent of the Directors of the Branch; and such stock books shall, at all reasonable times during the usual hours of transacting business, be kept open for the examination of any person, having in his possession any note, bill, or obligation on any Branch, then due, and the payment of which shall be refused. And in case any officer having charge of such book shall refuse to permit such examination, he shall, for every such offence, forfeit the sum of fifty dollars, to be recovered in an action of debt by the person so refused.

Penalty for refusing to permit examination of stock book.

SEC. 29. Stock shall be considered as personal property, and may be sold on execution, and transferred on the books of the Branch by the officer selling the same, but in all cases be subject to a lien in favor of the Bank, for all debts *bona fide* due, or then owing and to become due the same, from the owner.

Stock may be sold on execution.

SEC. 30. After the first election, no stockholder who shall not have held his stock, for which he votes, for three calendar months previous to the day of election, shall be entitled to vote; and the number of votes to which stockholders shall be entitled, in voting for Directors, shall be in the proportion following; that is to say, for each and every share, not exceeding four shares, one vote; for every two shares above four shares and not exceeding thirty, one vote; for every four shares above thirty and not exceeding ninety, one vote; for every six shares above ninety and not exceeding one hundred and fifty, one vote; and for every ten shares above one hundred and fifty, one vote. But no person, co-partnership, or corporation, shall be entitled to a greater num-

Rules concerning voting for Directors.

ber than one hundred votes. In all elections, votes may be given either in person or by proxy, but no person shall vote by proxy more than one hundred votes, and no individual stockholder, who shall be a resident of the county where the election is to be held at the time of such election, shall vote by proxy, unless in case of unavoidable absence, except females or minors.

President, &c. shall not vote as proxy; and shall not be eligible to a seat in the Legislature.

SEC. 31. No President, Cashier, Clerk or Teller of said Bank or any Branch thereof, shall be permitted to vote at any election for Directors, as the attorney, agent, or proxy of any stockholder. No President, Cashier, or Director of the State Bank, or President or Cashier of either of the Branches, shall, during the term of his office, be eligible to a seat in either branch of the General Assembly of this State.

President of State Bank, how elected.

SEC. 32. The President of the State Bank shall be elected by the General Assembly, by ballot of each House separately: *Provided*, That no person shall be elected as such President unless he gets a separate majority of the votes given by each House: *Provided, however*, That after three attempts at an election as aforesaid, should no concurring choice be made, the two Houses shall proceed to elect the said President by joint ballot of both Houses; and the person obtaining a majority of all the votes given on such joint ballot, shall be declared duly elected as in other cases. Such President shall hold his office for five years, unless sooner removed by joint resolution, and another appointed in his place.

Term of office five years; removable by joint resolution.

Shall preside, give casting vote, call special meetings, &c.

SEC. 33. It shall be his duty to preside at all meetings of the board and decide all questions on which the board is equally divided, by his casting vote—he shall have power to call

special meetings of the board whenever he may find necessary, and do and transact all other business naturally appertaining to his office or conferred upon him by this act.

His salary.

SEC. 34. The President of the State Bank shall receive as a compensation, to be allowed by the Board of Directors of said Bank, an annual salary, not less than one thousand, nor more than fifteen hundred dollars, payable quarterly.

Four Directors of State Bank to be elected by the General Assembly; their term of office.

SEC. 35. The General Assembly shall elect four Directors of the State Bank, in the manner prescribed for electing the President thereof, who shall respectively hold their offices, one, two, three, and four years, one going out of office each year, and shall at their first meeting after their appointment, determine, by lot, the periods they shall respectively hold their offices. Such Directors, or any one of them, may at any time be removed by joint resolution of the General Assembly. Their compensation shall be fixed by the Board of Directors of the State Bank; but the compensation of any member of the Board shall not be increased during the term of his appointment.

Removable by joint resolution, their compensation.

Vacancies of President, &c. of State Bank, how filled.

SEC. 36. Vacancies occurring in the office of President or of any State Director of the State Bank, shall be filled by appointment to be made by the Governor, until the same shall be filled by the General Assembly, as in this act is provided for the election of the President and Directors of the State Bank.

One Director of State Bank elected annually by each Branch.

SEC. 37. The Board of Directors of each Branch shall annually and as often as a vacancy may occur, elect one Director for the State Bank, whose compensation shall be fixed by the Branch Directors, and paid by such Branch.

Revenues to be received and

SEC. 38. It shall be the duty of said Bank and Branches to receive and pay out the reve-

paid out by the Bank.

nues and funds of the State, under the direction and control of the Treasurer of State, whenever the Legislature may so direct.

State Bank to appoint Cashier, &c.

SEC. 39. The Board of Directors of the State Bank shall have power to appoint a Cashier and such other inferior officers and agents as may be necessary to carry on their business, to fix their term of office and compensation, and require such bond and security from them as they may from time to time deem expedient.

Power of the Directors of the State Bank over the Branches.

SEC. 40. The Directors of the State Bank shall have power to limit and control the amount of discounts and loans of the Branches after they shall amount to once and a quarter the amount of capital stock paid in; to settle and adjust the accounts and balances between them; and for good cause may suspend the operations of the same. They shall have power, and it shall be their duty to regulate and equalize the State funds and public deposites that may be in Bank, and may transfer the same from one Branch to another as circumstances may require. But they shall in no case withdraw any part of the capital stock of any Branch, or any part of its own local funds, without the consent of the Board of Directors of such Branch, to be used in any other Branches, except in cases requiring such Branch to be closed as herein provided for; and they shall have power to make and prescribe all necessary by-laws to carry the powers herein conferred into effect.

Examination of Branches by Directors of State Bank.

SEC. 41. They shall have power to appoint one or more of their number to visit and inspect the condition and affairs of each Branch, when and as often as to them shall seem necessary; and it shall be their duty to make such examination at least once in six months, and also at any other time when thereto required by the

Directors of any Branch. No Director shall be appointed by the State Bank, to examine, visit, and inspect the condition and affairs of any Branch from which he has received his appointment.

Powers in such examination.

SEC. 42. The person or persons so examining shall have power to examine on oath or affirmation, (which they are hereby authorized to administer,) all the officers, servants, or agents of any Branch, or any other persons, in relation to the affairs and condition of such Branch; and they shall have power to examine all the books, papers, notes, bonds, and other evidences of debt of any Branch; to compare the books, funds, and property of said Branch, with their returns and statements made thereof; to ascertain the amount of money and available funds on hand, and generally to make every other inquiry and examination necessary to ascertain the actual condition of such Branch.

Directors of State Bank to require reports from Branches.

SEC. 43. The Board of Directors of the State Bank shall have power to require of the Board of Directors of each Branch, reports of their business and condition, as often as shall be expedient, and not less than once each month.

Branches may be suspended.

SEC. 44. They shall have power whenever they shall ascertain in any manner, that any Branch is insolvent, or is mismanaging its affairs, whereby the interest of the other Branches is endangered, or that a Branch hath violated any of the provisions of this act, or any other act binding upon them, or that any Branch hath neglected or refused to comply with any legal order or direction of the Board of Directors of the State Bank, and it is hereby made the duty of said Board forthwith to suspend the business of such Branch, and the

power of the Branch Directors over the same, and if the interest of the State, or the safety of the other Branches requires it, to close up the affairs and business of said Branch entirely; and to effect the same, they are hereby vested with power to appoint a receiver or receivers who shall, under their direction and control, collect and receive the rights, credits, and effects due such Branch, and turn them into available funds; to settle, adjust, and compound the same; to settle, adjust, and pay off the debts due by such Branch: and if any portion of the capital stock of such Branch, or stock notes given therefor, shall be unpaid, to sue for, and collect the same, as also all contributions required from stockholders under the provisions of the one hundred and second section of this act, or so much as shall be necessary to meet the demands against such Branch.

Receiver to be appointed to take charge of effects.

Receiver's authority to act, &c.

SEC. 45. That a copy of such order suspending or closing any Branch and appointing a receiver or receivers to take charge of the same, signed by the President and attested by the Clerk of said Board and the seal of said State Bank, shall be sufficient to authorize such receiver to seize and take charge of the same; and all officers, stockholders, servants, and agents of such Branch shall be required to obey and submit to the same, and in default may be indicted for misdemeanor, and fined and imprisoned at the direction [discretion] of the jury trying the same; and any person fraudulently holding and concealing any of the property or effects of such Branch from such receiver shall, upon conviction thereof upon presentment or indictment, be fined in any sum not exceeding one thousand dollars, and confined at hard labor in the State Prison for any term of time, not less than one year nor more than ten years.

Debts of a failing branch, how paid.

SEC. 46. It shall be the duty of the Directors of the State Bank to provide for the payment of all the debts of a failing Branch that shall remain due after all the property, real and personal, rights, credits, and effects, and all the stock of such failing Branch, and the contributions of its stockholders, shall have been first applied; and for that purpose they are hereby authorized to call on the other Branches for their respective proportions; arranging the time of making such calls so that the whole amount of such debt shall be paid within one year after such failing Branch shall have been suspended.

Branches reimbursed, in payment for advances to failing branches.

SEC. 47. And if it shall so happen that the property, stock, contributions, or effects of said failing Branch shall not by that time have been turned into available means, the same shall be collected and distributed among the several Branches to meet the advances by them made to pay the debts of such failing Branch.

Effects of failing branch after payment of debts, how disposed of.

SEC. 48. After payment of all demands against a failing Branch, if any of its effects, of whatever kind or description, shall remain, the same shall be first applied to the payment of the State stock therein, and shall be divided among the other Branches and used as capital in the same as so much State stock; and if any residue should still remain, it shall be paid over to the other stockholders in their due proportions.

Order of suspension, &c., how made.

SEC. 49. Any order of the Board of Directors to suspend or close a Branch shall be carried by at least the votes of two-thirds of the members present at some meeting, to attend which all the members of the Board shall have been notified; and the question shall be taken by ayes and noes, and the same recorded on the minutes of the board.

SEC. 50. The order of the Board of Direc-

Regulations respecting suits, &c., against suspended branch.

tors of the State Bank suspending any Branch, shall likewise have the effect to suspend all suits, judgments, orders, decrees, and executions, for any claim or demand which said Branch should have paid: nor shall any such suit be progressed in until the matter in controversy shall have been submitted to the Board of Directors of the State Bank; or the persons by them entrusted with the affairs of said Branch; and if, on such submission, the justice of such claim shall not be admitted and the same be agreed to be paid on the closing up of the affairs of said Branch, the same may progress to judgment; but execution thereon, and all other executions or decrees, shall remain until one year from the time such Branch was suspended.

Election of Branch Directors, &c.

SEC. 51. The Directors of the State Bank shall have power to regulate the manner of holding elections for Directors of the Branches, and may, if necessary, change and fix the time of holding the same, of all which elections reasonable notice of time and place shall be given.

Order for new election, when to be made.

SEC. 52. And in case an election of Directors should not be made on the day when the same should have been, the Directors of the State Bank shall order a new election, and the Directors for the time being shall continue to hold their offices until such election takes place and their successors are qualified.

Failure to elect Directors of State Bank, no dissolution of the corporation.

SEC. 53. No failure on the part of the General Assembly or of the Branches to elect Directors of the State Bank shall be considered as a dissolution of this corporation, but the Directors for the time being shall continue to hold and exercise their offices until their successors are chosen and qualified.

Dividends regulated.

SEC. 54. Said Directors shall have power to regulate and control the dividends of profits so that the capital stock shall never be diminished,

and to create and keep up a surplus fund that shall never be less than one-sixteenth of the capital stock in each Branch.

Interest unpaid not to be included in dividends

SEC. 55. In the calculation of the profits previous to a dividend, interest then unpaid, although due, or accrued on debts owing to any Branch, shall not be included.

Dividends, when declared.

SEC. 56. Dividends of profits shall be declared semi-annually.

Branch may be closed after the first year when not producing 6 per cent. per annum.

SEC. 57. They shall have power to close any Branch which, after the first year, shall not yield a profit of six per cent. per annum upon the capital actually paid in, and the same may be proceeded in as in case of insolvency, unless the discounts shall have been limited and controlled by the Directors of the State Bank, so as to prevent said stock from yielding such profit.

Accounts to be kept with the branches.

SEC. 58. They shall cause to be opened and kept, by their clerks, accounts with each Branch, shewing the operations of each, and keeping constantly in view their business and condition, which shall be at all reasonable times open to the inspection of any stockholder, and of any person authorized by the Legislature to inspect the same.

Record of proceedings.

SEC. 59. They shall likewise keep a record of all their proceedings, in which all their orders, votes, and resolutions shall be entered, with the ayes and noes on all questions, which shall be open to like inspection.

Salaries of the president, &c. of State Bank apportioned among the branches.

SEC. 60. They shall apportion the salary of the President and all other officers, agents, and Directors of the State Bank, and all other general expenses, among the several Branches according to the amount of stock in each, and shall have power to demand and receive the same.

SEC. 61. It shall be the duty of the Direc-

Stock, subscription books to be provided and transfers of stock returned.

tors of the State Bank to keep and preserve the original books of subscription of stock, and to cause to be returned to them from each Branch every six months a statement of all transfers of stock made the preceding six months.

Plates for bank paper.

SEC. 62. They shall also procure and take charge of the plates on which the paper of said Bank shall be printed, and shall cause a sufficient amount thereof to be printed from time to time as occasion may require.

Bank paper to be delivered to the branches.

SEC. 63. They shall deliver on the order of the board of Directors of each Branch an amount of such paper not exceeding twice the amount of the capital actually paid in at such Branch, except when more shall be wanted to replace that which may have been worn out, defaced, or lost; in which case all so defaced shall be returned to said board of Directors of the State Bank and destroyed; and they shall give no other or greater amount for paper lost than they shall have good reason to believe is actually lost by circulation or otherwise.

Quorum.

SEC. 64. Five Directors, with the President, shall be necessary to constitute a Board for the transaction of business. But in case of sickness or absence of the President, his place may be supplied for the time being by any Director whom the Board may appoint.

Directors of state bank to report annually to the Legislature.

SEC. 65. It shall be the duty of the Board of Directors of the State Bank, in the first week of the session of the General Assembly in each year, to make report to both Houses of the General Assembly of the affairs and business of said Bank and each Branch thereof, setting forth in regard to each,

1st. The amount of available funds on hand, designating each kind.

2d. The amount of notes discounted.

3d. The amount of bills of exchange.

4th. The amount and condition of the surplus fund.

5th. The amount of notes in circulation.

6th. The number of officers and servants, and the amount of compensation to each.

7th. The amount of rents paid, if any.

8th. The value of houses used for Banking purposes.

9th. The value of other real estate, and whether the same has been regularly offered for sale, as by this act required.

10th. The amount of debts due to and from other Banks.

11th. All such other matters as shall by them be deemed material and important, or shall be required of them by the Legislature. A like report shall be furnished to the General Assembly, by the Board of Directors of each Branch. Such report made by the Directors of each Branch, shall contain such statement of the condition of the same as aforesaid, as the same is found on the 3d Saturday of November, in such year, at 2 o'clock in the afternoon. Branch directors shall report to the legislature annually.

Sec. 66. The Directors, and all other officers and agents of the State Bank, and of each Branch shall severally, before they enter upon the duties of their office, make oath or affirmation, well and faithfully to discharge the duties of the same. Oath of officers.

Sec. 67. The stockholders of each Branch shall by ballot annually elect not less than seven, nor more than ten Directors for such Branch, the number to be settled by the Directors of the State Bank; and the Directors of the State Bank shall appoint three Directors for each Branch: such Branch Directors shall hold their office for one year, and until their successors are chosen and qualified. Election of branch directors.

President, Cashier, &c. how chosen.

SEC. 68. The said Branch Directors, at their first meeting after each election, shall choose one of their number to be President, and shall have power to appoint a Cashier and such other officers and agents as they may deem necessary, whose term of office, and whose compensation, together with that of the President, shall be established by the Directors.

Vacancies in board, how filled.

They shall also have power to fill all vacancies occurring in their own body, except in those appointed by the State Bank, which shall be filled by those Directors of the State Bank, appointed on the part of the State.

Branch director on the part of the state, how long eligible.

SEC. 69. No Director appointed by the Directors of the State Bank shall be chosen more than twice in three years.

No compensation to branch director, except, &c.

SEC. 70. No Branch Director, except the President, shall receive compensation for his services, unless by vote of the stockholders.

Who may be branch directors.

SEC. 71. No person shall be elected a Director of a Branch by the stockholders, who shall be in arrear to such Branch, nor unless such person shall be a citizen of the State, and a stockholder owning in his own right and not in trust, at least five shares in such Branch. But in case there should not be a sufficient number of stockholders owning five shares to constitute the directory, they may be elected out of those having the highest number of shares.

Seat of director may be vacated.

SEC. 72. If during his term of office any Director shall become in arrear, or fail in business, remove from the State, or cease to own the requisite amount of stock, or otherwise become disqualified, it shall be the duty of the said Board of Directors forthwith to vacate his seat, and appoint another in his place.

Persons ineligible for directors.

SEC. 73. No person shall be a Director in more than one Branch at the same time; nor

shall two or more partners be at the same time Directors of the same Branch, or of the State Bank and a Branch thereof; nor shall a Director of any monied corporation, having power to discount and to receive deposites, be a Director of any Branch.

Officers of each branch to give security.

SEC. 74. The Board of Directors of each Branch shall have power to require such security from their officers and agents for the performance of their duties as they may deem necessary.

Report to the directors of State Bank, &c.

SEC. 75. It shall be their duty to make report of their business, and condition of their Branch to the Board of Directors of the State Bank, once in each month, and oftener if thereto required by said Board, setting forth all the particulars required in their reports to the Legislature, and shall also send copies of their monthly reports to each Branch.

Journal to be kept; to be open for inspection.

SEC. 76. The Board of Directors of each Branch shall keep a book or books, in which shall be entered and faithfully recorded a journal of all their proceedings, which book shall be open to the inspection of all the stockholders, at all regular meetings of the same; and also, be open to the inspection of any three stockholders, holding together in their own right, twenty shares of stock, on application by them made to the President or Cashier.

Elections to be viva voce.

SEC. 77. All elections by the several Boards of Directors shall be viva voce and recorded.

By-laws of the branches.

SEC. 78. The Directors of each Branch shall have power to make and prescribe such by-laws, rules, and regulations as they shall deem needful, touching:

1st. The government of their respective Branches, and the management and disposition of its stock, business, property, estate and effects;

2d. The time, manner, and terms upon which discounts and deposites shall be made and received in, and by the same;

3d. The duties and conduct of the officers, clerks, and servants employed by the same, and

4th. All such matters as may appertain to the concerns of said Branch:

Subject to the control of the Directors of the State Bank in the cases and according to the powers herein given to the Directors of the said State Bank.

Rules to be observed by br'ch directors.

SEC. 79. In the management of their business the Board of Directors shall observe the following rules:

1st, No Branch shall loan money on the security of its own stock.

2d. No persons shall be accommodated with a loan while in arrear for stock, for interest or for loans had either on his own account or as security for others, and then due, unless the sums so due be retained and first paid out of such loan.

3d. In the renewal of notes the security shall never be lessened.

4th. No Director shall be allowed to borrow out of Bank on any other than the usual banking terms.

5th. The President, Cashier, and Directors for the time being of any Branch or of the State Bank shall not be permitted to endorse for each other. Nor shall they vote on questions in which they are interested.

6th. On all applications for loans of five hundred dollars or upwards, there shall be five concurring votes out of seven, and so on in proportion if any greater number is present; and if any such application is granted, the ayes and noes shall be entered in the minutes of the Board.

7th. No corporation of any description shall, at any one time, be permitted to be indebted, at one Branch, in a greater sum than five thousand dollars, for moneys loaned, unless by permission of the Board of Directors of the State Bank.

8th. It shall be the duty of the Board of Directors of each Branch, as often as once in three months, to cause a strict examination to be made of the accounts of the Cashier, and a full and complete settlement thereof; and a full statement thereof shall be entered on the journals of the proceedings of said Board.

9th. No person shall be entitled to receive any dividend of profits on stock owned, while indebted to said Bank for any debt or demand then due and payable, but the same shall be placed to his credit until such debt or demand is paid.

10th. Seven members shall be necessary to constitute a Board for the transaction of business.

Penalty for making false statements, entries, &c.

SEC. 80. Every officer, agent, or clerk of said Bank or Branches, who shall wilfully and knowingly subscribe or make false statements, or false entries in the books of such Bank or any Branch, or shall wilfully and knowingly subscribe or exhibit false papers with the intent to deceive any person authorized to examine or inquire as to the condition of said corporation, or shall wilfully and knowingly subscribe or make false reports, shall be deemed guilty of felony, and shall be subjected to imprisonment at hard labor in the State prison, for such term of years as the jury trying the case may think proper; and likewise any commissioner or examiner wilfully and knowingly subscribing or making any false report, shall be deemed guilty of felony and subjected to like penalties.

Embezzling, penalty for.

SEC. 81. Any officer, agent, or clerk employed in said Bank or any Branch, who shall embezzle or appropriate the property or funds of said Bank or any Branch, with the intent to cheat and defraud the same, shall be deemed guilty of felony and punished in like manner.

Capital stock. $1,600,000.

SEC. 82. The capital stock of said Bank shall be one million six hundred thousand dollars, in shares of fifty dollars each, one-half thereof to be subscribed for, and owned by the State of Indiana, and the other half by individuals or corporations.

Capital stock divided among the br'ches equally.

SEC. 83. The said capital stock shall be equally divided among the several Branches hereby created, making the sum of one hundred and sixty thousand dollars at each Branch, and if at any time that amount cannot be profitably used in any Branch, the Directors of the State Bank by and with the consent of the Directors of such Branch, may withdraw such portion of the State capital as cannot be profitably employed in said Branch, and place it in such of the other Branches as can most advantageously use the same; and such portion, when placed in a Branch, shall, for the time it shall remain therein, be considered as so much of an addition to its capital and it may govern its operations accordingly; and the Branch from which such State stock is taken, shall be regulated in its operations according to its remaining capital: and the Directors of the State Bank may, when they deem it expedient, withdraw such portion of the State stock from any Branch, for the purpose of being replaced as State stock in the Branch from which it shall have been taken, or in any new Branch that shall be organized, or in any of the other Branches.

A portion of the state capital may be withdrawn from one branch and placed in another.

Subscription books to be opened. Directors of State Bank appoint commissioners.

SEC. 84. The Directors of the State Bank after giving thirty days' notice in all the newspapers of this State shall cause to be opened, books for the subscription of stock at such places within the districts aforesaid as they may designate for the location of Branches, under the direction of three commissioners, whom they shall appoint. Said books to be kept open between the hours of 9 and 12 o'clock, A. M. of each day for the space of thirty days.

Duty of commissioners.

SEC. 85. If stock to the amount of eighty thousand dollars shall be subscribed within said time for either of the Branches aforesaid, it shall be the duty of the commissioners having charge of the stock subscription books, to examine as to the responsibility of the subscribers for the stock, and if by them deemed responsible, or not, to make their report accordingly in writing under their signatures, to the Directors of the State Bank without delay.

Subscription for stock, mode of reducing in case of excess.

SEC. 86. If on closing the books at any of said places it shall be found that more than eighty thousand dollars have been subscribed for any Branch, the excess shall be taken first from such as reside out of this State; then from corporations, and should there still be an excess, the same shall be taken in proportion from the subscriptions over five hundred dollars until all are reduced to that amount, then from all equally, until the whole amount shall not exceed eighty thousand dollars.

Notice by directors of State Bank to the stockholders for first instalment.

SEC. 87. If a sufficient amount of stock shall be subscribed for by responsible persons at any of the Branches, it shall be the duty of the State Bank Directors, as soon as they can ascertain when said Branches can be furnished with the capital on the State stock in said Branches, to give notice to the subscribers for

stock, of the time when the first payment on their stock shall be made, which notice shall be by publication in the nearest newspaper to each Branch, sixty days before any payment shall be required to be made.

Notice for the election of branch directors on the part of stockholders.

SEC. 88. The Directors of the State Bank at the time of giving the notice as to the payment of the first instalment on the stock, shall also, in like manner, give notice, that an election will be held on the day succeeding that appointed for the payment of the stock, between the hours of 10 A. M. and 4 o'clock P. M. of said day, at some public place, at the point where the Branches shall be located, for the election of Directors on the part of the stockholders in their respective Branches.

Duty of commissioners in cases of non-payment of first instalment.

SEC. 89. In case of failure, on the part of any subscribers for said stock to meet the first instalment, the commissioners having in charge the subscription books for stock, shall immediately re-open said books and keep the same open for the space of twelve hours, for the purpose of permitting subscriptions for such share or shares on which payment has failed to be made; and should there be more subscribers than there are shares to be subscribed for, preference shall be given to such as are not holders of shares, and the shares shall be equally distributed among the remaining subscribers; and if the number of subscribers shall still more than equal the number of shares to be taken, those who shall have shares shall be decided by lot, under the direction of said commissioners.

Individual stock in branches, how paid.

SEC. 90. The subscribers for stock at each of the Branches shall, at the time appointed by the President and Directors of the State Bank, pay, in specie, the sum of thirty thousand dollars to the commissioners having charge of the

stock subscription books for the respective Branches, as the first payment on their stock; and the residue of said stock shall be paid in specie in two equal annual instalments: and each resident stockholder in said Branches shall have the right of having the instalments that shall become due on his stock paid for by the State of Indiana, in specie, to the proper Branch, upon securing the amount of the same to the State, to be repaid on or before the expiration of nineteen years from the year eighteen hundred and thirty-four, with interest thereon at the rate of six per cent. per annum, payable semi-annually, by giving a bond and mortgage on the fee simple of unincumbered real estate, the fair cash value of which shall be (exclusive of perishable improvements) at least equal to twice the amount of such loan. The said bond and mortgage to be taken in the manner and subject to the provisions hereinafter specified.

State stock in branches how subscribed and paid for.

SEC. 91. As soon as the stock shall have been subscribed and paid for, at any of the Branches as aforesaid, it shall be the duty of the President and Directors of the State Bank to subscribe for eighty thousand dollars of stock in such Branch, on the part of the State; of which fifty thousand dollars in specie shall be paid by the President and Directors of the State Bank, to such Branch at the first general meeting of the Board of Directors of the State Bank after the organization of the Board of Directors of any such Branch; and at the same time the President and Directors of the State Bank shall give to the President and Directors of the Branch an order on the commissioners for the subscription of stock, for the payment of the thirty thousand dollars paid on the stock of said Branch. And the residue of the State

stock shall be paid in like manner, in two equal annual instalments from the time of said general meeting of the President and Directors of the State Bank.

Governor's proclamation authorizing banking operations to commence.

SEC. 92. When the President and Directors of the State Bank and Branches shall have been qualified by taking their oath or affirmation of office, and shall have organized themselves and informed the Governor of the State that the State Bank and Branches are prepared to enter upon the business of banking, he shall, by proclamation, authorize said State Bank and Branches to commence their banking operations.

By-laws, &c. to be delivered to each branch.

SEC. 93. At the first general meeting of the Board of Directors of the State Bank they shall deliver to the President and Directors of each Branch the by-laws, rules, and regulations for the same, together with the bills, notes, checks, books, and papers provided for such Branch, taking the necessary receipts therefor; and also for the amount of stock, paid on the part of the State, in such Branch; a duplicate of which receipts shall be filed by the President and Directors of the State Bank, in the office of the Treasurer of State.

Forfeiture for non-payment of instalments on stock.

SEC. 94. Should any failure of payment on the first, or any subsequent instalment, take place on the part of any subscribers for said stock, then and in such case, the party failing shall forfeit and pay, if for the first instalment, the sum of ten dollars per share, to the President and Directors of the State Bank, to be recovered by an action of debt; and, in case of a failure to pay any subsequent instalment at the time required by this charter, the President and Directors of the Branch shall be at liberty to sell and transfer any such share or shares of stock at public auction, after giving ten days'

notice thereof in writing, put up at the door of said Branch Bank; and any surplus remaining, after paying the amount due and incidental charges, with ten per cent. on the amount paid on such share or shares on which such instalment shall be due, shall be paid over to the owner or owners of such stock previous to the sale thereof; and, if the same cannot be sold for sufficient to pay up the instalment then due thereon, the same shall be forfeited and become the property of the proper Branch.

Dividends on State stock, &c. paid to Commissioners of Sinking Fund.

SEC. 95. The dividends declared by the Directors of the State Bank, on the State stock, and on such portions of the stock belonging to the other stockholders who have had their stock paid for through the medium of the State loan, and which shall not have been paid for by such stockholders, shall be paid by the Directors of the State Bank and Branches to the Board of Commissioners of the Sinking Fund, and not otherwise, unless upon the written instructions of the Board to that effect. And it shall be the duty of the Directors of the State Bank to ascertain, at the times of making their dividends, the amount due of the loan, on the part of the State, to such stockholder, and declare the dividend thereon accordingly; and the dividends accruing on the stock, or such portions of the stock as shall not be required to be paid to said Board, shall be paid, on demand, to the holders thereof respectively, except in cases expressly provided by this charter.

Regulations concerning the dividends of stockholders whose stock has been paid for through the medium of the State Loan.

Insufficiency of dividends to pay the interest, how provided for.

SEC. 96. In case the amount of such divided on individual stock so herein provided to be paid to the Commissioners of the Sinking Fund shall not be sufficient to pay the interest due from the owner of such stock for the money so loaned to him by the State, then it shall be lawful for said Commissioners to demand and

receive of said Bank a sufficient sum from the dividends due on the residue of the stock of such owner, as will pay the balance of such interest.

Discounts, etc. shall not be made to stock-holders to pay instalments.

SEC. 97. It shall not be lawful for said Bank or any Branch to discount or receive any note or other evidence of debt in payment of any instalment due, or to become due on any shares of stock, or with the intent of providing the means of making such payment, or to receive or discount any note or evidence of debt, with the intent of enabling any stockholder to withdraw any part of the money paid in by him on his stock: nor shall said Bank or any Branch make any loan of its specie, or discount or receive any note or other evidence of debt for the purpose of furnishing means for any new Branch to organize, or to enable any subscriber for, or holder of, shares of the stock of any Branch, to make payment of any instalment due thereon.

Loans, &c shall not be made for the purpose of organizing any new branch.

Debts to or from the bank shall not exceed twice the capital paid in.

SEC. 98. It shall not be lawful for said Bank and Branches at any time to have a greater amount of debts due to said Bank and Branches, than twice the amount of the capital stock actually paid in; nor shall said Bank and Branches, owe or be indebted in a larger sum than twice the amount of its capital paid in, exclusive of sums due on deposites; nor shall any Branch at any time have due or owing to it, or be indebted, exclusive of deposites, in a larger sum than twice the amount of its capital stock actually paid in, without express permission from the Board of Directors of the State Bank; and such permission shall only be given in cases where one Branch shall loan to another Branch a part of its funds, to be used for a definite time, and such permission shall only extend to such period of time; and in case of excess, the Directors under whose adminis-

tration it shall happen, shall be liable for the same in their individual and private capacities, in an action of debt against them, or any of them, in any court competent to try the same, by any of the creditors of said Bank or the Bank itself, and may be prosecuted to judgment and execution, any condition, covenant or agreement to the contrary notwithstanding: but this shall not be construed to exempt the said Bank, or the lands, tenements, goods, chattels, money or effects of the same, from being also liable for, and chargeable with such excess. And any Director or Directors, who may be absent when such excess is created or contracted, or who may have dissented from the resolution or act, whereby the same was created or contracted, may respectively exonerate themselves from being so liable by causing or requesting, in writing, at the time, his or their dissent, to be entered on the minutes of the Board, and by forthwith giving notice, of his or their absence or dissent, to the Governor of the State, and to the stockholders by giving notice thereof in some newspaper published near said Bank or Branch.

Individual liability of directors in case of excess

Directors absent or dissenting, may be exonerated from liability by giving notice.

Sec. 99. Every Director not present at the meeting when such excess shall be created or contracted, shall, nevertheless, be deemed to have been concerned therein, if the same shall appear on the books of the Board, and he remain a Director for six months thereafter, and does not within that time give notice of the same, as required in the preceding section.

Absent director failing to give notice, deemed liable.

Sec. 100. The insolvency of said Bank or any Branch shall be deemed fraudulent unless its affairs shall appear, upon investigation, to have been fairly and legally administered, and generally with the same care and diligence that agents, receiving compensation for their

Insolvency, when deemed fraudulent.

Presumption of fraud, how repelled.

services, are bound by law to observe; and it shall be incumbent on the Directors and stockholders of the Bank, or any Branch, should the same become insolvent, to repel by proof the presumption of fraud.

Liability of president and directors in case of fraudulent insolvency.

SEC. 101. In case of the fraudulent insolvency of said Bank or any Branch, the President and Directors of said Bank or Branch, respectively, by whose acts or omissions the insolvency was wholly, or in part occasioned, and whether then in office or not, shall each be liable, in the first instance, to the creditors and stockholders of said Bank or Branch, or any or either of them, for his proportional share of their respective losses; the proportion to be ascertained by dividing the whole loss among the whole number of Directors liable; and if any such President or Director shall be unable, by reason of being insolvent, or for any other cause to pay his proportional part of such loss, then the residue of said loss shall be borne and paid in equal parts by the remaining Directors liable as aforesaid, until the whole loss shall be reimbursed, or the whole property, rights, credits, and effects of each of said Directors shall have been exhausted toward the payment of such loss; but this section shall not be construed to diminish the liability of Directors as before declared.

Moneys due to creditors in case of insolvency, how paid.

SEC. 102. If the moneys remaining due to the creditors of said Bank or any Branch whose insolvency shall be adjudged fraudulent, after distribution of its effects, and after the property, rights, credits, and effects of the President and Directors of such insolvent Bank or Branch shall have been exhausted, shall not be paid by the stockholders, the deficiency shall be made good by the contributions of the stockholders of the Branch becoming insolvent. The

whole amount of the deficiency shall be assessed on the whole number of shares of the capital stock of said Branch, and the sum necessary to be paid on each share shall then be ascertained, and each stockholder shall be liable for the sum assessed on the number of shares held by him not exceeding the nominal amount of such shares, in addition to the sums paid, or which he may be liable to pay, on account of those shares; but, before such contribution shall be required, or assessment made, on any shares where the whole stock had been paid, the instalments unpaid on any shares shall be required to be paid up, and the estimate of the deficiency made accordingly.

State shall contract a loan of $1,300,000, for what purpose.

SEC. 103. For the purpose of providing funds on the part of the State to pay her subscription of stock in said Bank and afford to her citizens, who may become stockholders therein, the ability of paying up their second and third instalments of stock, the Commissioners of the Canal Fund are hereby authorized and directed to contract on the part of this State, a loan of one million three hundred thousand dollars, or so much thereof as shall be required for the purposes of this act, at a rate of interest not exceeding five per cent. per annum, redeemable after twenty and within thirty years, at the pleasure of the State; for the payment of which and the interest thereon, at such time and place as agreed upon, the faith of the State is hereby irrevocably pledged. Previously however, to said Fund Commissioners performing any duties by this section provided, they shall enter into bond with good security, in a penalty to be fixed by the Treasurer of State, payable to the State of Indiana, conditioned well and truly to perform the trust reposed in them, and to pay over all moneys to the President and Di-

Faith of the state pledged—bond of fund commissioners.

rectors of the State Bank of Indiana, which they may receive, on account of any contract or loans made by them, in behalf of the President and Directors of the State Bank of Indiana; which bond shall be approved by the Treasurer of State, and when so approved it shall be his duty to cause it to be filed in the office of the Secretary of State.

Loan drawn by instalments.

SEC. 104. Said loan shall be so negotiated from time to time as to be drawn for by instalments as follows: not exceeding five hundred thousand dollars when the said Bank shall be ready to receive the same for business, and the residue in two annual payments thereafter; such instalments to be varied in amount to suit the number of Branches that shall organize under the provisions of this act.

Bonds for loan to be issued by commissioner, &c.

SEC. 105. The said Commissioners or a majority of them, shall have power to issue bonds for said loan executed by them payable to order or bearer, copies of which bonds shall be filed in the office of the Secretary of State.

Commissioners' compensation.

SEC. 106. Said Commissioners shall receive the same per diem compensation for their services herein as now allowed them, also their expenses to be adjusted by the Directors of the State Bank.

Commissioners report to the General Assembly.

SEC. 107. Said Fund Commissioners shall make report to the General Assembly fully of their proceedings herein; they shall keep a record of their proceedings; shall pay over the said loan on the order of the President and Directors of the State Bank, and take and preserve all proper drafts and vouchers therefor.

Amendments to this charter, how made.

SEC. 108. That it shall be lawful for the General Assembly, by and with the consent of the President and Directors of the State Bank and of the President and Directors of each Branch, and not otherwise, to make such

amendments and alterations in this charter as may be found expedient: *Provided*, That said Bank or any of its Branches, shall not be authorized by any such amendment to suspend or refuse the payment of specie for its notes, bills, or obligations; or for any moneys received upon deposite, and that no such amendment shall be made, the faith of the State is hereby pledged to the creditors of said Bank and Branches. Proviso.

Power reserved to the state, in relation to college funds, &c.

SEC. 109. The State reserves the power of making provision hereafter for the investment of the proceeds of the sales of the college lands, lands reserved for the use of township schools, and saline reservations, and such other corporate or State funds which may be deemed expedient, as stock in said Bank under such regulations as will secure the safety of the same, and make them more productive and guard the rights of those concerned.

Powers of the president and directors of State Bank, first elected by the state.

SEC. 110. That the President and Directors of the State Bank, first elected by the State shall have power to organize themselves as a Board of Directors of the State Bank, by taking the oath or affirmation and giving bond as herein required, and shall, when so organized, have power to open or cause to be opened the books of subscription and to locate and organize the Branches herein authorized, to procure plates, and cause paper to be struck and to do and perform all those things requisite and necessary to put the said Branches in operation, any thing in the sixty-fourth section of this act, to the contrary notwithstanding.

Banking powers to close in 1857.

SEC. 111. That it shall not be lawful for the said Bank, after the first of January eighteen hundred and fifty-seven, to discount, loan money, or do any other banking business, and all the powers herein conferred shall cease, except those incidental and necessary to collect and

Power reserved to the Legislature.

close up its busines. And, the General Assembly hereby retains the power at any time after the said first of January, eighteen hundred and fifty-seven, to establish a new Bank and Branches, notwithstanding the privilege herein conferred.

This declared a public act.

SEC. 112. This act shall be taken and received in all courts, and by all judges and magistrates, and other persons as a public act: and all printed copies of the same, which shall be printed by or under the authority of the General Assembly, shall be admitted as good evidence thereof, without any other proof whatever.

SINKING FUND.

Sinking fund created.

SEC. 113. There shall be created a fund to be called the Sinking Fund, which shall consist of all unapplied balances of the loan or loans procured on the part of the State for its stock in the State Bank, or for the purpose of being loaned to stockholders to enable them to meet their stock instalments in the Bank; the semi-annual payments of interest on the State loans to stockholders, and the sums that shall be received in payment of said loans; the dividends that shall be declared and paid by the State Bank on the State stock, and the dividends accruing on such portions of the stock belonging to the other stockholders as shall have been paid for by the loan on the part of the State, and which shall not have been repaid by such stockholders.

For what purpose reserved.

SEC. 114. The principal and interest of said Sinking Fund shall be reserved and set apart for the purpose of *liquidating and paying off the loan or loans* and the *interest thereon*, that shall be negotiated on the part of the State for

the payment of its stock in the State Bank, and the second and third instalments on the shares of the other stockholders in said Bank, *and shall not be expended for any other purpose*, until said loan or loans, and the interest thereon, and incidental expenses shall have been fully paid; and after the payment of said loan or loans, the interest and expenses, the residue of said fund shall be a permanent fund, and appropriated to the cause of common school education in such manner as the General Assembly shall hereafter direct.

Board of commissioners. Their duty.

SEC. 115. The President and Directors, on the part of the State, of the State Bank, shall constitute a standing Board of Commissioners of the Sinking Fund, and the President of said Bank shall be the President of said Board, and the Cashier of said Bank shall be the Clerk of said Board. They shall have the superintendence and management of said fund under such powers and restrictions as are conferred or imposed by this act, or the legislature from time to time shall prescribe. It shall be the duty of said Board to loan all moneys belonging to said fund, and examine the title to all real estate mortgaged to the State to secure the loans made by the State to the stockholders in the State Bank, and the loans made by said Board of moneys belonging to said fund; to ascertain and determine the value of such real estate; to take the necessary bonds and mortgages to secure the payment of any such loans and the interest thereon; to receive and collect the amount due of the principal or interest of any such loans; and in the examination of the title to real estate, fixing the value thereof and the amount for which it is to be mortgaged, the amount of the loan, its duration and rate of interest, the nature of the mortgage, the register-

ing, cancelling, or foreclosing thereof and in the making and collecting any of said loans with the interest thereon, the said Board shall be governed in all respects by the provisions of the several acts authorizing the loaning of the Seminary funds, except on *loans* made by the State to *stockholders in the State Bank*, the *time* for the payment of the *principal and interest* of said loans shall be regulated by this charter. The said Board shall receive and collect from the State Bank the semi-annual dividend that shall be declared on the State stock, and on such portions of the stock of other stockholders as shall have been paid for through the medium of the State loan, and which shall not have been repaid by such stockholders to said Board.

Their further duty, in paying interest on state loan.

SEC. 116. It shall be the duty of the said Board to see that the interest is promptly paid on the State loan or loans made for the payment of its stock, or that of the other stockholders, in the State Bank; and, for this purpose, they shall have the right to command the services of the President and Directors of the State Bank, free of charge, to pay the same; and it shall be the duty of said Bank to pay said interest on said loan or loans, when required by said Board, the said Bank to be re-imbursed, for the amount of interest thus paid, by said Board, and all exchange and expenses actually incurred.

An account of the acts, &c. of the board shall be kept.

SEC. 117. Said board shall make all necessary arrangements for meeting any legal charges or requisitions on said fund, and pay and discharge the same in the manner prescribed by law. They shall keep in a book, to be provided for that purpose, full accounts of all their acts and proceedings, and an account shall be kept shewing in detail the receipts, loans, and disbursements of said fund; separate books shall

be kept, in which shall be entered the amount of the receipts of dividends on the State stock in the Bank, and an account of each stockholder that is required to be paid to said Board; and after the payment of the interest due on the loan of any such stockholder to the State, out of said dividends, or otherwise, the residue of such dividends shall be applied to the payment of his loan, and shall be credited on his bond and mortgage by said Board; and when such bond and mortgage shall be satisfied by said dividends, or otherwise, the same shall be cancelled, and the Bank dividends on the stock of such stockholder shall not be paid to said Board, but to the owner of said stock.

Board make report to the legislature annually.

SEC. 118. The said Board shall annually report to the Legislature, during the first week of its session, giving a full and detailed statement of the operations and situation of said fund.

Oath and bond of com'rs &c.

SEC. 119. The President and Commissioners of said Board, the Clerk, and all its agents, shall each, before entering on their duties, take an oath or affirmation faithfully to discharge the duties assigned them, a certified copy of which shall be filed in the office of the Treasurer of State. The said President, Commissioners, and Clerk shall severally give a bond to the State of Indiana, with such securities as shall be approved of by the Governor, in the sum of fifty thousand dollars, conditioned for the faithful performance of the duties of their office, the amount of which bonds may be enlarged from time to time, or one or more additional bonds required, as the Legislature may require, which bonds shall also be filed in the office of the Treasurer of State.

Compensation.

SEC. 120. The said Commissioners for each and every day they may be necessarily engaged

in the discharge of the duties of their office, shall each be allowed two dollars per day; and they shall make such allowance for the services of their clerks and agents as shall be a fair and reasonable compensation therefor, which sums with the incidental expenses for stationery, &c. for said Board, shall be paid out of said fund, and an account thereof be embraced in the annual report of said Board. The legislature reserves the right of changing the amount of the compensation of any of the officers in this section mentioned other than that of the President.

Right reserved to the legislature.

State directors in branches may be employed as agents of the board.

SEC. 121. The Board of Commissioners of the Sinking Fund shall be authorized to employ, as agents, the Directors on the part of the State, in any of the Branches, for the purpose of making and securing any loan, or to collect the same or the interest thereon, or the dividends coming to said fund from any Branch of which agents are Directors, the said Board being responsible for the acts of such agents.

SEC. 122. This act shall be in force from and after its passage.

FIRST AMENDMENT.

ADOPTED MARCH 1, 1836.

AN ACT

Amendatory of an act, entitled "an act establishing a State Bank," approved January 28, 1834.

APPROVED JANUARY 25, 1836.

SEC. 1. *Be it enacted by the General Assembly of the State of Indiana*, That the President and Directors of the State Bank of Indiana, shall be authorized to increase the capital stock of any of the Branches of said Bank, by individual subscriptions, to an amount by which the capital of each shall not exceed two hundred and fifty thousand dollars. The additional capital to be made at such periods, and in such sums as the President and Directors of the State Bank shall deem best calculated to promote the interests of the State, and the welfare of the institution. The subscription and payment of such additional capital to be under the direction of the parent Board, except that the State shall not be required to furnish any means for payment of such stock: *Provided, however*, That the State may subscribe for and take one-half of said additional capital on the same conditions as heretofore, except that the same shall be paid in, at the time the individual stock is paid for. Increase of capital stock.

SEC. 2. That the President and Directors of the State Bank may from time to time authorize the several Branches, or any of them, to extend their discounts to an amount, the ave- Discounts may be extended

rage of which for each fiscal year shall not exceed two and a half times the capital stock actually paid in; and for this purpose, the debts due to them, exclusive of deposites and cash balances in other Banks and Branches, may be extended to average as aforesaid, twice and one-half the amount of the capital actually paid in, but never shall exceed that proportion, and never shall exceed three times the amount of the capital actually paid in, at any one time; the power being still reserved by the State Board of restricting the Branches in their discounts to once and a quarter the amount of capital paid in: *Provided, however*, That the State reserves the right of repealing or amending this section, at the session commencing in December 1839, and also at the session commencing in December 1845.

Right reserved to the state.

Books may be opened for transfer of stock in any of the cities of the U. S.

SEC. 3. That the President and Directors of the State Bank may empower any of the Branches at their own expense, to open books for the transfer of their stock in any of the cities of the United States; and any such Branch may authorize transfers of any portion of its stock, without lien or restriction, on which the State has no lien, on said books: which books shall be kept open for public inspection, conformably to the provisions of the 28th section of the act of which this is amendatory, and such transfers shall be regularly certified to the State Bank according to the Charter.

Standard for the computation of interest.

SEC. 4. It shall be lawful for the State Bank and Branches in the computation of interest or discount, to charge according to the standard and rate set forth in "Rowlet's Tables;" and in computing the time which a note has run to reckon the days inclusively.

State directors in each branch, how appointed.

SEC. 5. The Directors on the part of the State in each Branch, shall be appointed by the

President and Directors, on the part of the State, of the State Bank.

Trustees of congressional townships may subscribe for stock.

SEC. 6. That the Trustees of any Congressional Township, in this State, by their Clerk, on the last day of April or October in any year (or if such day be Sunday, then on the day previous) may subscribe for stock in any Branch of the State Bank, with the consent of said Branch, which shall be so far a creation of additional capital in said Branch, to be considered as part of the additional stock herein first provided for; and shall be rated at the same amount per share as the original shares, but the whole amount of the subscription shall be paid on subscribing; on which the dividend shall be semi-annually apportioned in common with the other capital; and to be payable to the treasurer of such township, and certificates of such stock shall be issued accordingly. The said stock to be put on the footing of State stock in every particular as to responsibility. The same not to be taxed: *Provided, however*, It shall not be lawful for such trustees to subscribe for such stock, unless the majority of the voters, at any annual election for a trustee, shall by a majority of all the votes given at such election, determine that such stock be taken; which determination shall be evidenced by the voters writing on their tickets the words "Bank Stock."

Branches may contract for the receipt of public funds of the state.

SEC. 7. That any Branch or Branches shall be authorized to contract with such Board or Officers as the State may empower, for the receipt and disbursement of any deposite of public funds by the State, and for the interest to be paid thereon, subject to the approval of the Board of Directors of the State Bank.

Restrictions in the purchase of promissory notes, &c.

SEC. 8. It shall not be lawful for the Bank or any Branch thereof, to buy at a greater rate of discount than six per cent. per annum, any

promissory note or inland bill of exchange, made by any person or persons, who as either principal or endorser, shall have within one month previously, offered any note or bill for discount, and which bill or note has been rejected or not discounted.

Counties added to the 12th bank district.

SEC. 9. That the counties of Elkhart and Kosciusko be included within the 12th Bank District of the State of Indiana.

Authority to locate the 12th branch, &c.

SEC. 10. That the Directors of the State Bank are hereby authorized, should they deem it expedient, to locate the twelfth Branch of the State Bank on or before the first day of July next, at such place within said District as they may deem expedient; which said Branch may be organized immediately thereafter, any thing contained in the third section of the Bank Charter to the contrary notwithstanding.

Consent of bank to this act before it shall become a law.

SEC. 11. Before any of the foregoing amendments shall have the effect of law, the consent of the Branches and the State Bank thereto, embracing all of said amendments, shall be given according to the provisions of the 108th section of the Charter; evidence of which assent shall be filed by the State Bank, in the office of the Secretary of State, and a record thereof shall be made in said office; and the same from such filing shall be taken and considered as a part of the charter of said Bank.

SECRETARY OF STATE'S OFFICE,
MARCH 1, 1836.

This certifies, that on this day, the assent of the State Bank of Indiana and Branches to the above act, approved January 25, 1836, amendatory of the charter of said Bank, was filed in this office.

Given under my hand, WM. SHEETS,
Sec'y of State for the State of Indiana.

SECOND AMENDMENT.

ADOPTED FEBRUARY 7, 1838.

AN ACT

To provide for distributing so much of the Surplus Revenue of the United States, as the State of Indiana may be entitled to and receive by virtue of an act of Congress, approved 23d June, 1836.

APPROVED FEBRUARY 6, 1837.

Treasurer allowed to hire a clerk.

SEC. 1. *Be it enacted by the General Assembly of the State of Indiana*, That the Surplus Revenue of the United States, deposited, or which may be deposited in the Treasury of this State by virtue of an act of Congress, approved 23d June, 1836, be, and the same is hereby disposed of upon the conditions and restrictions hereinafter provided. And if the increase and additional services required from the Treasurer of State by virtue of this act render the services of an additional Clerk necessary, the Treasurer aforesaid shall be allowed to hire one. And for the purpose of enabling said Treasurer to employ and pay said Clerk hire, he shall be allowed not exceeding five hundred dollars per annum, to be paid quarterly, as other claims are paid.

Mode of funding the revenue.

SEC. 2. One-half of said revenue shall be funded, as hereinafter provided, in the respective organized counties of the State, and such as may become organized during the present session of the General Assembly, each county being entitled to and receiving an amount proportionate to the number of its taxable polls, that did or shall pay tax for the year 1836:

Provided, however, That the counties with less than three hundred taxable polls, shall receive the same proportion of said revenue as if they had three hundred polls: *Provided, however*, That all counties containing more taxable polls than three hundred and less than seven hundred, shall have added thereto seventy-five polls, but no such addition to any county containing a less number of polls than seven hundred, shall increase the same to more than seven hundred.

Apportionment among the counties.

SEC. 3. The number of polls returned, or hereafter to be returned, to the office of the Auditor of State, in the assessment of taxes made for the year 1836 or 1837, shall be taken as the number of polls, in each county, in said distribution of said surplus revenue, for five years; and at the end of said five years, the amount of taxable polls then returned as above, shall be the foundation of the apportionment of said surplus revenue as above; and at the end of five years thereafter, the same, so on, altering the proportion of said surplus revenue, which each county has a right to claim, every five years, according to the then return of taxable polls: *Provided*, That nothing herein contained shall be so construed as to prevent any county from making a return of the number of its taxable polls, as is now by law provided, at any time previous to its drawing the amount herein provided for said county.

An agent appointed in each county.

SEC. 4. There shall be annually appointed in each county, by the Legislature, an agent, who shall enter into bond with security, to be approved of by the board doing county business in said county, in the penal sum of at least double the amount which the county may be entitled to by the provisions of this act, conditioned for the faithful discharge of all the du-

ties required of him by this act, or any act which may be amendatory thereto; and the bonds of the said agents shall be filed in the office of the clerk of said county, whose duty it shall be to record the same in some book kept by him for that purpose, a certificate of which filing and recording from under the hand and seal of office of said clerk, shall be filed with the Treasurer of State, before the said agents shall receive the proportion of money to be refunded in the county in which said agents may respectively reside, and the same shall be carefully preserved by the said Treasurer, in his office, nor shall any person hold said office unless he be a qualified voter in said state.

His duty.

To give bond.

Sec. 5. The bonds of the said agents shall be made payable to the State of Indiana, and it is hereby made the duty of the Treasurer, whenever hereafter any such agent shall fail or refuse to pay over any moneys in his hands, according to the provisions of this act, or shall otherwise fail to comply with any of its provisions, to commence suit against such agent, upon his aforesaid bond, in the name of the State of Indiana, and proceed to final judgment and execution thereon, and if any such agents shall so fail or refuse, his agency shall from thenceforth expire, and a successor shall be forthwith appointed, as hereinafter provided, and said agent, so removed, shall, when demanded, hand over to his said successor all moneys and papers in his hands, belonging to his said agency.

Suit against agent for failure or neglect of duty.

Sec. 6. Each of said agents, upon having entered into bond as above required, and having taken an oath, before the clerk of the Circuit Court, to faithfully discharge all the duties required of him by law, as agent aforesaid, may thereafter apply to and receive from the Treasurer of State, (first producing to him, as afore-

Treasurer shall pay over the proper amount to agent.

said, a certificate from the clerk of his county, of his having entered into bond and taken the oath as above required,) the full amount of said surplus revenue, that the county for which he is agent is entitled to by the provisions and conditions of this act.

Agent to loan the money.

SEC. 7. Upon the agent's receiving the money, to which, under the provisions of this act his county is entitled, he shall loan it out at *eight* per centum interest per annum, to the citizens residing in said county, and to none others, under the following restrictions and regulations: he shall upon the reception of any such sum, and previously to his making any loan of any part thereof, advertise or publish, by written or printed notice, to be posted up at the place of general elections in each township in the county, that such funds have been received, and are ready to be loaned, specifying the day upon which he will commence loaning, and giving at least ten days' notice thereof.

Shall take bond and mortgage.

SEC. 8. The agent, in loaning money under the provisions of this act, shall take bond with a mortgage upon real estate, which he must be fully satisfied is worth double the amount for which it is mortgaged, and that the title thereto is good, and can be evidenced by a title regularly and legally derived from the United States Government, or of the State of Indiana: *Provided*, That in all cases, where the patent for any mortgaged premises shall have been lost, mislaid, or otherwise placed out of the reach of the mortgager, its absence may be supplied by the certificate of the register of the land office, in the district of lands in which said mortgaged premises may lie, that said patent or certificate of purchase, was issued from the United States: *Provided also*, that the mortgager shall accompany his application for said

fund, in every instance before any loan shall be made to him, with the certificate of the recorder of said county, that there is no mortgage on said premises recorded or filed in his office, and of the clerk of the Circuit Court of the county in which said mortgaged premises may lie, that there is no judgment of record in his office against said mortgager, or any transfer or lien whereby the validity of said title may be impaired upon said mortgaged premises: *Provided also*, That where the title to any land proposed to be mortgaged, shall be derived from any grant or donation other than from the United States, a regular chain of title to the confirmation of said grant by the United States, shall be sufficient: *Provided*, That if said mortgaged premises are held by certificate, the duplicate certificate of the receiver shall be retained with the mortgage by the agent, until the said mortgage shall be discharged.

May loan upon personal security.

SEC. 9. The agent making the loan in the above section provided, upon mortgaged premises, shall estimate the value of the same, exclusive of any buildings thereon; or he may loan said fund by taking bond with, at least, two sufficient personal securities, who are freeholders within the county, and which he shall believe of undoubted responsibility, and in each case the interest must be paid in advance.

Term of loan, when made on mortgage.

SEC. 10. Said fund may be loaned upon mortgaged premises aforesaid, for any term of time not exceeding three years: *Provided*, That if the same is loaned for any term of time more than one year, one third of the principal of said loan shall be paid at the expiration of each year, after the date of said mortgage, with the interest of each year paid annually in advance, as above provided, which one-third shall be again loaned by said agent, persons not having pre-

viously borrowed being entitled to preference.

When loaned on personal security.

SEC. 11. Where said fund is loaned upon personal security, as aforesaid, it shall be loaned for the term of one year, and the borrower thereof, at the expiration of said year, shall, upon the payment of one-third of the principal and interest upon the remaining two-thirds, be permitted to retain said two-thirds for the term of one year longer, and so on, annually, until said fund is all paid by said borrower, the said agent in each instance requiring the interest annually in advance—he shall also take bond, payable twelve months after date, with the following conditions, to-wit: that if the agent, at any time, shall desire and demand other additional security, in any such bond, it shall be forthwith given; and upon failure, neglect, or refusal upon the part of the obligor in such bond, to give such additional security, after ten days' notice given in writing by said agent, the said bond shall be considered from thenceforth as due, and the agent shall immediately proceed to collect the same, as herein provided.

Agent's fee, by whom paid.

SEC. 12. In addition to the *eight* per centum per annum interest, which the borrower is herein bound to pay in advance, upon the sum borrowed, he or they shall likewise pay to the agent, one per cent. upon said borrowed money, and said one per cent. upon all the sums loaned by the agent, under the provisions of this act, shall alone constitute the compensation to such agent for all his responsibility, and for all the services by this act required of him.

Shall not loan more than $400 to one person.

SEC. 13. The agent shall not loan more than four hundred dollars to any one individual, and the entire amount of interest received by him under the provisions of this act, it shall be his duty to pay over to the School Commissioner of the county, so soon as it is received, to be

directed and set apart semi-annually on the first Monday of March and September to the several townships according to the number of taxable polls in each, to be paid over to the several township treasurers or their order at any time after such dividend: *Provided*, That in case there should be any township in any county that is unorganized, the School Commissioner shall loan any portion of money set apart to such township or townships as other school funds for the use of such township. *And provided also*, That the said Commissioner shall make a distribution of said interest among said townships, so soon as it is received by him.

Shall pay interest over to school com'r.

Com'r shall distribute among the townships.

Sec. 14. All the interest accruing to the State from the said one half of the said surplus fund, thus distributed amongst the several counties of the State, shall be, and it is hereby appropriated for the term of five years.

Interest appropriated for five years.

Sec. 15. It shall be the duty of the agent in each county, to have all mortgages recorded in the recorder's office of the county for which he is agent; for the recording of which, the said recorder shall be entitled to receive twenty-five cents, which the borrower shall pay, together with all other reasonable charges and expenses, for the investigation of his right and title to the premises proposed to be mortgaged, and all costs necessarily accruing or incidental to his borrowing money under the provisions of this act.

Mortgages to be recorded.

Sec. 16. Whenever payment is not made to the agent on his demand, or otherwise by virtue of any of the provisions of this act, a foreclosure of the mortgage by suit, may be made, and the mortgaged premises sold, as provided by law, in cases of mortgages to individuals.

Mortgage foreclosed.

Sec. 17. The Treasurer of State, upon receiving said surplus revenue, or any part there-

Treasurer shall give notice.

of, shall forthwith advertise the same in two of the newspapers published at the seat of government and of general circulation throughout the state, three weeks successively, stating in such advertisement what amount each county shall receive; and if any county, through its agent, fails or neglects to make legal application, for its portion of said surplus revenue, allotted to it by the provisions of this bill, within ninety days after said notice shall have been given, as above provided for, then the said Treasurer shall loan it out as at present he is authorized to loan the College Fund: and the interest accruing thereon, shall be distributed, according to the provisions of this act, among the townships of said county for the purpose of common schools: *Provided*, That the counties to be organized under any act of the present session of the General Assembly, shall not forfeit their proportion of said surplus revenue as above, if their agent draws for the same, at any time before the first of July next.

Agent failing to apply, treasurer to loan out, &c.

Agent failing to accept, commissioner to appoint.

SEC. 18. If any person appointed under the provisions of this act, should fail, neglect, or refuse to serve as agent aforesaid, or if after receiving said appointment, as agent, shall resign, die or remove from the county for which he is appointed, then and in that case, it shall be and is hereby made the duty of the board doing county business in said county, to appoint some suitable person, who shall qualify himself, in all respects, in the same manner as is prescribed in the foregoing sections of this act: *Provided*, That the said agent shall inform the clerk of the Circuit Court of the county in which he resides, of his intention to fail, neglect, or refuse to serve, or resign, or remove as aforesaid, whose duty it shall be to forthwith notify the board doing county business thereof: *Provided*,

also, That to carry into effect any of the provisions of this act, it shall and is hereby made lawful for the board doing county business in any of the counties of this State, to meet at such time as is necessary, which meeting and the proceedings thereof, shall be entered of record on the books of said board.

Form of mortgage.

SEC. 19. The agent so appointed, as is above provided in the 18th section of this act, by the board doing county business, shall serve as such, until his successor shall be chosen, and qualified by the General Assembly at its session immediately thereafter.

[*Sections* 20 *and* 21 *relate to forms.*]

Judgments to draw interest.

SEC. 22. All judgments rendered in any court having competent jurisdiction, upon any notes with personal security, as above provided, shall draw interest, at the rate of *eight* per centum per annum.

SEC. 23. The individual applying for a loan upon mortgage, shall, in addition to the previous requisitions of this act, file an affidavit with the agent, who is hereby authorized to administer an oath to such affiant, that there is no incumbrance of any kind, and no superior claim to his own in law or equity, to the mortgaged premises aforesaid—and any person swearing falsely, in such affidavit, shall be subject to all the pains and penalties provided by law for wilful and corrupt perjury.

Applicant shall file affidavit.

SEC. 24. It shall be the duty of the agent in each county, as well as the school commissioner, to report to the Treasurer of State, quarterly, and it is hereby made the duty of said Treasurer to report the same to the General Assembly annually: and if it shall appear by the report of the commissioner aforesaid, that the agent has not paid over any interest in

Treasurer to report to legislature.

his hand, according to the provisions of this act, then it shall be the duty of the Treasurer aforesaid, to commence suit upon the bond of said agent, as provided in this act. The said agent shall also keep a careful register of the names, date and amount of all such mortgages taken by him, which he shall enter in tabular form, in a book kept by him for that purpose, in which he shall also enter, in appropriate columns, according to the form which may be furnished him by the Treasurer aforesaid, the interest paid for each year, on the proper loan, and the amount refunded, and it is hereby made the duty of said Treasurer, on the receipt of the reports from the said agent, to cause proper entries to be made in his office, of such loans, interests, loans refunded, &c., and also, to furnish the said agent with forms of such entries as are hereby required of him to be made.

Agent to keep a register of mortgages.

Lien not be discharged by lands forfeited for non-payment of taxes.

SEC. 26. Whenever hereafter the tax shall not be paid on any lands mortgaged under this act, or any lands mortgaged to the State of Indiana for loans of the Sinking Fund, or loans to pay the second and third instalments of Bank stock, or for loans of the College Fund, or for loans made of any other funds in the hands of the Treasurer of State, and such land shall be returned as delinquent to the office of school commissioner, and shall be forfeited for the non-payment of said tax, the lien of such mortgage shall not be discharged by any such non-payment, forfeiture, or any sale by such school commissioner, but the same shall be sold subject to such mortgage.

SEC. 27. The first section of an act entitled "an act supplemental to an act entitled an act to authorize the loaning of the Seminary funds," approved January 24th, 1828, be and the same is hereby repealed.

Remaining to be subscribed as stock to state bank.

☞ Sec. 28. That of the remaining half of said surplus revenue, the sum of two hundred and eighty thousand dollars, or such sum as shall remain after the appropriation of the same to the state capital as below provided, shall be subscribed and paid over as stock, on the part of the state, in the Branches of the State Bank, under the direction of the State Board, in such Branches, and such amounts of stock, as to them shall seem best, having in view the safety of the institution and the profitable investment of the said stock; *Provided*, That not more than fifty thousand dollars shall be subscribed in any one Branch, and the same to be a permanent addition of state capital in such Branch assessed in shares so as to be equal to the other shares of state stock in said Branch according to the 34th section of this act: *Provided further*, That the provisions of the 30th section of this act shall be carried into effect, so far as depends on the Board of Directors of the State Bank before the subscription of stock as provided in this section.

First instalment, how paid. Additional

Sec. 29. The first instalment of fifty thousand dollars, for the twelfth Branch shall be subscribed and paid out of said fund as state stock in the same, as soon as such Branch is organized according to the provisions of the charter, and the third instalment in the eleventh Branch shall be also paid out of the said fund.

Branches to be located.

Sec. 30. It shall be the duty of the President and Directors of the State Bank to locate not less than three, nor more than four additional Branches, at their discretion, at such time and place as they may think the public interest requires, and the payments of stock on the part of individuals shall be in such instalments as said Directors shall require, and as soon as instalments are paid by individuals, an

equal amount shall be paid by said Directors on the part of the State, but no Branch shall go into operation until the sum of eighty thousand dollars is actually paid in; and the capital in each such Branch shall be eventually made to be equal to the original capital in each Branch, one hundred and sixty thousand dollars—being equally owned by the State and individuals, and the additional Branches authorized by this act, to be located, shall be subject to all the provisions of the act entitled an act establishing a State Bank, approved January 28, 1834, except as is otherwise provided in this act with regard to the location of said Branches, their subscription and payment of stock, organization and appropriations of profits, whether on the stock of new Branches or increase of capital.

Treasurer to pay over to bank.

SEC. 31. So much of the third and fourth instalments of the said Surplus Fund, (the first and second instalments being hereby set apart for distribution, as aforesaid, in the counties of the State) as shall be required, for the purposes in the said 28th and the remaining sections provided, shall be paid over by the Treasurer of State, to the order of the President and Directors of the State Bank.

Dividend on stock to be paid over to fund commissioner.

SEC. 32. The dividends on said stock shall, as soon as declared, be reported and paid over to the Fund Commissioners or other person authorized by law to receive the same, and shall be by them applied to the payment of the interest on the State bonds for the purposes of internal improvement.

Consent of state bank & branches to be obtained.

SEC. 33. Before the 28th section of this act shall take effect and be in force, the consent of the State Bank and Branches thereto, shall be given according to the provisions of the 108th section of the charter of said State Bank, evi-

dence of which shall be filed in the office of the Secretary of State, and a record thereof made in said office.

Surplus on hand at the time of increasing the stock, how disposed of.

SEC. 34. That the surplus which may be in any Branch Bank, at the time of increasing the capital thereof, agreeably to the provisions of this act, shall be set apart for distribution among the stockholders, entitled to the same, at the time of such increase aforesaid; to be distributed, at such time and in such manner as the State Directors shall direct; and all stock taken in the organized Branches shall be on an equality with individual stock in such Branch: *Provided*, That the State Directors shall have the power to make contribution from the new stock (taken in the existing Branches under the provisions of this act,) to the Surplus Fund belonging to the original stock at the time of the increase of the capital as aforesaid, so as to equalize the same; and in case such contribution shall be made as herein directed, then and in that case, such distribution of the surplus as above directed shall not be made by the State Directors as above directed.

On failure of branches to receive the am't due them same to be paid over to sinking fund.

SEC. 35. If the said portion of said revenue by this act provided to be placed in said Branch Banks, shall not be received by said Branches, it shall be the duty of the Treasurer of State to pay the same over to the Commissioners of the Sinking Fund, whose duty it shall be to loan the same, under the same restrictions and regulations, and in the same manner as is now provided by law for loaning the Sinking Funds; the interest of which shall be subject to the order of the Fund Commissioners, or other persons authorized by law to receive the same, to be by them applied as is provided in the 32d section of this act; and it is also hereby made the duty of the said Board of Commissioners to report

the same in the same manner as is provided in the 32d section aforesaid.

Fund commissioners to loan unapplied balance.

SEC. 36. While any part of said half-equal portion of such surplus revenue appropriated to state investment in Bank capital shall remain unapplied, the same shall be loaned out by the Commissioners of the Sinking Fund as above provided, except that the length of time of such loan shall be made to conform with the prospective demand for said fund to the purposes of State capital above contemplated; the interest of which temporary loan to be applied as provided in the 32d section of this act; which unappropriated balance shall be paid over by the Treasurer of State to the Commissioners of the Sinking Fund.

This act to take effect and be in force, except as provided herein, from and after its passage.

OFFICE OF THE SECRETARY OF STATE,
FEBRUARY 7, 1838.

This certifies, that on this day, evidence of the consent of the State Bank of Indiana and Branches to the provisions of the act of the General Assembly of the State of Indiana, entitled "an act to provide for distributing so much of the surplus revenue of the United States as the State of Indiana may be entitled to and receive, by virtue of an act of Congress, approved June 23, 1836," approved February 6, 1837, was filed in this office, and a record thereof made.

Given under my hand.

WM. J. BROWN,
Sec'y of State for the State of Indiana.

A SUPPLEMENT

TO THE SURPLUS REVENUE LAW, PROVIDING FOR AN ADVANCE OF THE FOURTH INSTALMENT.

AN ACT to amend an act, entitled "an act to provide for distributing so much of the Surplus revenue of the United States as the State of Indiana may be entitled to receive by virtue of an act of Congress," approved January 23, 1836.

APPROVED, FEBRUARY 17, 1838.

Treasurer authorized to receive fourth instalment in advance from Bank.

SEC. 1. *Be it enacted by the General Assembly of the State of Indiana*, That the Treasurer of State be and he is hereby authorized to receive from the State Bank of Indiana at as early a period as practicable, the sum of two hundred and eighty-six thousand seven hundred and fifty-one dollars and forty-eight cents, being the amount of the fourth instalment of the surplus revenue, due this State from the United States, until the first day of January, 1839, to which day the payment of the same has been postponed by act of Congress.

To be paid over to Commissioners of Sinking Fund.

SEC. 2. That the Treasurer of State shall on receipt thereof, pay over the said instalment amount to the Commissioners of the Sinking Fund, who shall forthwith reserve therefrom and pay to the Fund Commissioners of this State the net interest to be reserved in advance in loaning the same, towards the liquidation of accruing interest on internal improvement loans made by the State; and they shall proceed to loan out the same as provided in the act to which this is an amendment, except that said loans shall be restricted to those counties so far as application shall be made, in which no part of the third instalment of surplus revenue has been loaned: *Provided, however*, That in case

Future loans, how made.

of additional Branches of the State Bank being organized as contemplated in said act, the said fourth instalment shall be so vested in bank stock and not loaned as above said.

In case of failure, Bank to be reimbursed.

SEC. 3 That in case of failure by Congress to provide by the said January 1, 1839, for the payment of the said fourth instalment due to this State, the Fund Commissioners of this State on being informed by the Treasurer of State, shall issue to the State Bank of Indiana in full reimbursement of the amount of said instalment so advanced, the bonds of the State for said amount, bearing six per cent. interest, and in every other respect similar to the bonds by them issued on internal improvement loans, which bonds shall also include any interest which the State Bank shall have been required to pay the United States on account of the retention of said instalment, and such advance by the State Bank shall not be deemed to affect or restrict the amount which the Bank is authorized to discount.

State bonds to be issued.

Discounts not affected.

Bonds, how disposed of.

SEC. 4. That in case the bonds of the State shall be delivered to the State Bank, it shall be the duty of the Bank to dispose of the same through the Fund Commissioners or otherwise, as soon as the same can be done so as to reimburse the Bank, and on terms consistent in the opinion of the Fund Commissioners with the interests of the State; and any overplus remaining after reimbursing the Bank shall be paid over to the Fund Commissioners for the Improvement Fund.

This act to be in force from and after its passage.

THIRD AMENDMENT.

ADOPTED APRIL 13, 1841.

An act to provide in part for the payment of the interest on the public debt, and to increase the stock of the State, in the State Bank, and to authorize said Bank to issue notes of a less denomination than five dollars.

APPROVED FEBRUARY 6, 1841.

Commissioners of sinking fund, their duties.

SEC. 1. *Be it enacted by the General Assembly of the State of Indiana*, That the Commissioners of the Sinking Fund are hereby required to set apart on their books, the capital of the State in the State Bank, being one million three hundred and four thousand nine hundred and fifty dollars, and also the mortgages of stockholders for cash advanced by the State for the payment of stock, being two hundred and twenty-four thousand dollars, and making together the sum of one million five hundred and twenty-eight thousand nine hundred and fifty dollars, for the purpose of redeeming the debt due by the State for the bonds sold under the Bank Charter for Bank purposes; being the sum of one million three hundred and ninety thousand dollars.

Shall vest in bank stock money received from debtors to sinking fund.

SEC. 2. That so fast as the debtors of the Sinking Fund shall pay to the Commissioners the debt due, or becoming due, the amount so received shall be invested by the said Commissioners in bank stock, in the name and for the State; any law requiring the same to be reloaned on bond and mortgage to the contrary notwithstanding. Such investments to be made in such sums, and in such Branches as the Commissioners may judge proper: *Provided*, that the amount of money not invested in the

hands of said Commissioners shall not be permitted to exceed, at any one time, five thousand dollars.

Shall pay over to treasurer all balances of dividends and interest.

SEC. 3. That the Commissioners of the Sinking Fund shall semi-annually pay over to the Treasurer of State, all moneys in their hands; being the balances of dividends on Bank stock, and interest on mortgages, remaining after the payment of the interest on the bonds sold, and by the charter required to be paid by them.

Reservation for benefit of common schools.

SEC. 4. And whereas, by the one hundred and fourteenth section of the Bank Charter, all the profits of the Sinking Fund, over and above the payment of the Bank loans, interest, and expenses, are set apart for the benefit of Common Schools: therefore, be it enacted that the investments, and the payments in the second and third sections above contemplated, shall, when made, be deemed loans from the said Sinking Fund to the State, and shall bear interest accordingly, at the rate of six per cent. per annum, the principal and the accumulated interest, to be repaid by the State, whenever the Bank stock loan shall be paid off, and the Bank wound up.

Tax on stock.

SEC. 5. That hereafter the capital stock of the said Bank shall be taxable, in addition to the tax of twelve and one-half cents on each share for education, only for state purposes; which tax shall be a per centum, in amount each year, equal to the amount of State tax, and to the amount of county tax in the county in which the respective Branch may be situated for the year; and shall be paid over by the Cashier of each Branch to the Treasurer of State, and by such Cashier shall be charged to the stockholders and deducted from the dividends: *Provided*, that the whole amount of the

Proviso, limiting such tax.

tax herein provided, with said education tax, shall not exceed one per cent. on the said capital stock: *Provided*, that the right is hereby reserved to the Bank of having the question adjudicated in any court of record in this state, subject to appeal or writ of error as in other cases, whether the tax assessed by the fifteenth section of the Bank Charter for education purposes is included in or is an addition to the ad valorem taxation to which the individual stock is liable as other property, while the whole of the assessment on such stock is, in all, less than one per centum; and the Auditor of State shall, by legal counsel, manage such case on the part of the state: *Provided also*, that if the final decision in such case should be, that the said education tax is, under the charter not an addition to, but included in the ad valorem taxation in the event above referred to, then this section shall receive a like construction, any thing herein to the contrary notwithstanding.

Reference of extent of tax, provided for.

Further proviso.

Sec. 6. It shall be lawful for the State Bank of Indiana, to issue and circulate notes of a denomination less than five dollars, to an amount not exceeding one million of dollars: *Provided*, That this privilege shall be subject to the control of the General Assembly from and after the twenty-eighth January, 1844: *Provided, also*, That said Bank shall not be allowed to issue more notes in amount than is now authorized by the charter: *And provided further*, The Bank shall pay into the Treasury of State, one per centum for the amount of notes under the denomination of five dollars hereby authorized to be issued, to be paid in three annual instalments, beginning with the current year: *Provided further*, That nothing in this section shall be so construed as to authorize the Bank to issue bills of a less denomination than one dollar.

Bank may issue and circulate small notes.

Provisions.

Adoption of this act.

SEC. 7. *Provided*, that the fifth and sixth sections of this act shall not take effect until they shall be adopted by the State Bank of Indiana as a part of the charter of the Bank in the manner required by the charter.

This act to be in force from and after its passage.

AN ACT to amend an act approved February 6, 1837, entitled an act to provide for distributing so much of the Surplus Revenue of the United States as the State of Indiana may be entitled to and receive by virtue of an act of Congress, approved June 23, 1836.

APPROVED, FEBRUARY 15, 1841.

Various funds to be drawn in and vested in Bank stock.

SEC. 1. *Be it enacted by the General Assembly of the State of Indiana*, That in addition to the sinking fund, the surplus revenue fund received by the State, the college fund, the saline fund, and the State Bank school fund, shall be drawn in and vested in Bank stock, in the name of, and for, the State, in the manner hereinafter prescribed: *Provided*, that so soon as the surplus revenue is converted into Bank stock, each Branch shall, in granting discounts, give a preference to each county to the amount of the surplus revenue called in from such county, in all cases where the paper offered for discount may be unexceptionable.

Proviso as to loans.

Loaning agents to pay over to Branch Banks.

SEC. 2. It shall be the duty of all the loaning agents of said funds, except the sinking fund, to pay over to the Branch of said Bank that may be deemed the most convenient, all moneys now in the hands of any such agent or agents, or that may hereafter come into his or their hands, without any unnecessary delay.

Duty of Branch Banks.

SEC. 3. It shall be the duty of each Branch of said Bank into which any or any portion of

said funds may be paid as aforesaid, to enter all such payments in the books of such Branch to the credit of the State, and subject to the order of the sinking fund commissioners, keeping a separate account of each fund.

Sinking Fund Commissioners to invest said funds.

SEC. 4. So fast as said funds may accumulate in any of such Branches, it shall be the duty of said commissioners to invest the same in Bank stock, either by increasing the stock of the Branches already organized, or by the subscription of the same on the part of the State for the purpose of organizing the new Branches authorized to be organized, as to said commissioners may seem most conducive to the interest of the State.

Loaning agents to proceed immediately to collect the various funds.

SEC. 5. It is hereby made the duty of said loaning agents to proceed immediately and collect all such sums belonging to any of said funds, including the Sinking Fund, that are now due and payable, or that may hereafter become due: *Provided, however,* That should any borrower of the Surplus Revenue desire further time to pay off the indebtedness that may be now, or may hereafter become payable, it shall be given such borrower, at bank interest, upon the conditions and in the manner following, to-wit: Said borrower shall procure from the proper loaning agent or agents a certificate of the aggregate amount of his indebtedness to this particular fund, and shall then execute his note for such amount, payable on or before the next succeeding first day of January to the proper Branch; which note the borrower shall procure to be endorsed to the acceptance of such Branch; and upon the delivery of said note, accompanied with said certificate, the cashier of said Branch shall give him a certificate of that fact, and upon filing said last named certificate with the loaning agent or agents, such agent or

Further time given to borrowers on certain conditions.

agents shall give him a receipt in full for said amount of his indebtedness. And it shall be the duty of said Branch to require said note to be renewed on each succeeding first day of January until the same is paid off; and at the time of any such renewal, the conditions of the renewal shall be that the borrower pay one-fifth of the principal originally transferred as aforesaid, with the interest on the residue in advance, so that the whole principal sum shall be paid up within five years from the time of such transfer: *Provided, further*, That the proper Branch Bank may in her discretion, and at her own risk, grant the same indulgence to the borrowers of said fund as she does to borrowers of her own money: *Provided, further*, That should any such agent or agents deem it unsafe to delay suit until any such borrower may return with the certificate showing that his indebtedness is duly transferred as aforesaid, it shall be his or their duty to commence suit immediately against such borrower, but the borrower shall still have the privilege of making the transfer of his indebtedness as aforesaid at any time before judgment rendered, upon paying all costs that may have accrued: *Provided, further*, That if the Board of Directors of any such Branch may deem that the security upon any note so as aforesaid given shall have become unsafe, it shall be the duty of such branch to immediately give notice of that fact to some one of the drawers or endorsers of such note, and if the same be not made secure within a reasonable time, such note shall be taken as due, be protested and sued upon without any unnecessary delay: *Provided*, That instead of giving personal security on the notes, thus transfering all of said fund to the Bank, it shall be the duty of the proper Branch to receive the exist-

Notes to be renew'd annually.

Amount of payment on each renewal.

Proviso.

Discretion of agents.

Board of Directors may require further security, &c.

ing mortgages, where there are any for the security of the same, when the same is deemed sufficient; and if not, then the borrower shall give mortgage security, if preferred to the personal, on unincumbered real estate of double the value of the amount to be secured. Mortgages may be accepted in place of personal security.

SEC. 6. The dividends arising from the State stock hereby created, together with the interest that may be received on the loaning of any of the said funds before the same is vested in Bank stock shall be set apart and duly appropriated to the purposes prescribed for the interest arising from said funds agreeably to the provisions of the laws now in force in this behalf, and shall be duly paid over by the proper Branch upon legal demand made; and the same is hereby pledged to the purposes now required by law. And it shall be the duty of the said Sinking Fund Commissioners to keep a book in which the amount of said fund received from each county shall be registered, and from what funds the same is received: and it shall be the duty of said proper Branch to pay over to the several counties upon legal demand of the School Commissioner, (whose duty it shall be to apply for the same) the several amounts of said dividends properly due to said county in proportion to the amount of said fund derived from said county; and also to pay over to the person authorized to receive the same the amount due the State University of said dividends now required by law. Dividend, how applied. Sinking fund commissioners and branches to apply dividends to proper counties and University.

SEC. 7. That the privilege of issuing notes of a less denomination than five dollars, granted the Bank by this General Assembly, be, and the same is hereby enlarged so as to run from the first day of January, 1841, through a period of five years; and the trouble and responsibility of the State Bank in managing and col- Authority to issue small notes enlarged, etc.

lecting the funds herein provided for being converted into Bank stock, shall be deemed and taken as in full consideration of the one per centum required to be paid by the Bank to the State on the amount of small notes which the Bank has been by the General Assembly authorized to issue; and nothing in said act authorizing the Bank to issue small notes shall be so construed as to authorize the taxation of any Bank stock which has not been heretofore subject to taxation.

Trouble and responsibility of the bank taken in full consideration for the privilege.

Agents of surplus revenue continued for a time.

SEC. 8. The existing agents for loaning the Surplus Revenue in the several counties shall be continued in office so long as their services shall be needed; and wherever there may be now, or may hereafter be, a vacancy in said office in any county, it shall be the duty of the board doing county business to fill such vacancy; and all agents so appointed shall be qualified to discharge their duties agreeably to the laws now in force, before taking upon themselves to act as such agent; and such board may at any time, when they may deem that the interests of the State demand it, require any of said agents to give additional security, or dismiss any such agent from office, as may be deemed most expedient.

Vacancies, how filled.

Agents may be required to give additional security.

Time extended to borrowers of the sinking fund.

SEC. 9. That it shall be the duty of the Commissioners of the Sinking Fund, on the application of any borrower whose loan is now due or may fall due in the year 1841, to extend the time of payment of such loan, so that the same shall be paid in five annual payments, at the rate of interest now charged for the State by said Commissioners, and on the present mortgaged security, if deemed by such Commissioner sufficient, or otherwise on satisfactory additional security; the interest to be paid annually

in advance, on what remains of the loan, as heretofore.

Loans of saline and college funds to be extended.

SEC. 10. That the State officer having charge of such loans, shall, in like manner, on application of any such borrower of the Saline and College Fund, extend the loans of said funds, as above provided as to the Sinking Fund; and the Treasurer of State shall from time to time, on the receipt of the principal and interest of said loans, forthwith deposit the same in the nearest Branch of the State Bank of Indiana, subject to the order of the Sinking Fund Commissioners, to be vested in Bank stock, as in this act provided.

Board of county commissioners to decide whether surplus revenue shall be vested in bank stock.

SEC. 11. That it shall be and is hereby made the duty of the Board of County Commissioners of every county in this State, to decide at a special session of said board, to be called for that purpose, on the second Monday in August next, or in case no such session be called, then it shall be taken as acquiesced in by said board, whether or not, the surplus fund of their county shall be invested in Bank stock, as provided for in this act; and upon such decision being in the affirmative, the same shall be so vested as herein provided; and if in the negative the said County Commissioners shall forthwith at their said session settle with the Surplus Revenue agent of their county, and shall thereupon reappoint such agent or appoint another agent of said fund, as to them shall seem expdient.

Bank not liable for funds until they are received.

SEC. 12. That nothing in this act shall be so construed as to subject the said Bank, or any of its Branches to any liability in regard to any of said funds, until the money therefrom is received by such Bank.

This act, how to take effec.

SEC. 13. This act shall be in force, so soon as the State Bank shall file with the Secretary of State, official notice of her acceptance in the

proper manner, of the provisions thereof, and it shall then be published in the Indiana Journal and Democrat.

SECRETARY OF STATE'S OFFICE,
INDIANAPOLIS, 13th APRIL, 1841.

This certifies that, on this day, the assent of the State Bank of Indiana, and Branches, to the fifth and sixth sections of the former, and to the whole of the latter of the foregoing acts, is filed in this office.

WM. SHEETS,
Secretary of State.

[☞ *The above Act published in the Indiana Journal of April* 16, 1841—*and in the Indiana Democrat of April* 23, 1841.]

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BY-LAWS

OF THE

BOARD OF DIRECTORS

OF THE

STATE BANK OF INDIANA.

ARTICLES.

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BY-LAWS.

ARTICLE I.

Business of State Bank.

SEC. 1. Whenever a special meeting of the Board of Directors is called by the President, a copy of the notice thereof transmitted to the members of the Board shall be recorded, before such session is held. Special meetings.

SEC. 2. At each session of the Board, the following standing committees shall be appointed on the first day thereof, or as soon thereafter as may be expedient, and in the manner, and with the duties hereinafter stated; each of which shall consist of two members or more, at the discretion of those appointing, to-wit: Standing committees.

I. A business committee, to whom shall be referred every matter proposed for the action of the Board, deemed suitable for reference, not appropriately belonging to any other committee; and whose duty it shall be to submit the same in the most suitable manner for the consideration and further determination of the Board; and who shall especially, at the commencement of every session, digest and submit On business.

a summary of the business regularly and properly coming before the Board at such session, as far as may be known, and suggesting the mode of action thereon.

On accounts. II. A committee of accounts, to whom shall be referred, and who shall report upon every matter of account or claim submitted to the Board.

On election. III. A committee of elections, to whom the credentials of members shall be referred.

Of review. IV. A committee of review to whom shall be referred the official correspondence and proceedings of the officers of the Board during the preceding vacation, and who shall report thereon.

On state of the Bank. V. A committee on the state of the Bank, to whom shall be referred the semi-monthly Branch reports, the quarterly reports of the committee of each Branch, and the semi-annual reports of the Examiners.

On defaced notes. VI. A committee on defaced notes.

The committee of review shall be appointed by the Board, but all other committees, standing or select, shall be filled by the President, unless specially ordered otherwise by the Board.

Order of business. SEC. 3. The order of business shall be, after the proceedings of the previous day, if any, of the session, are read, corrected if necessary, and signed, that the committees shall be called upon for reports in the order in which they are appointed above; after which, any general or special business.

Motions in writing. SEC. 4. All resolutions or other propositions, made at any session of the Board, for the action thereof, except as to adjournment, shall be submitted in writing by the mover, and filed.

Manual of practice. SEC. 5. Jefferson's Manual of Parliamentary Practice is adopted; except where it is oth-

erwise ordered by the Board, so far as the same is applicable, and auxiliary to the business of the Board.

Drafts on.

SEC. 6. Drafts shall be made by the Cashier, on the Branches for their respective portions of the salaries of officers of the State Bank, and all other general expenses allowed by its Board, and which shall usually be made through the Branch Bank at Indianapolis: and it shall be the duty of the Cashier of the State Bank at the close of every session of the Board of Directors, to apportion, according to the amount of stock in each, among the several Branches, the allowances made at said session against the Branches, entering the same and such apportionment in the Expense Book; all of which drafts shall be duly honored by such Branches respectively, and a record of them shall be kept at the State Bank.

Official papers to be signed

SEC. 7. All official communications made by any officer of this Board shall be officially signed by such officer, a copy thereof filed, and if pertaining to the action of this Board, or of importance otherwise, the same shall be recorded.

Semi-monthly reports of Branches.

SEC. 8. The form of report and rendering Branch accounts to the State Bank, shall be prescribed by the State Bank; and each Branch shall twice in each month, make out and transmit to the Directors of the State Bank a distinct abstract of the state of the Branch, showing distinctly its debts and credits, comprising all its means and liabilities, and specifying of the cash in hand, how much is in specie and how much in bank notes, distinguishing the notes of the State Bank of Indiana; and also its own notes in circulation; and exhibiting the result of its business, and also such other matters as are required by law to be reported: which reports

shall be on the fifteenth and on the last day of each month—unless in either case said day falls on the Sabbath, when the report shall be on the day previous.

Prompt paper to be reported.

In the reports to be made immediately preceding the quarterly sessions of this Board, the Cashiers of the respective Branches shall state the amount of business or maturity notes under discount at the time of making their reports.

Branch reports to the General Assembly.

SEC. 9. It is enjoined upon the officers of each Branch, *particularly* to forward to each House of the General Assembly, so as to be received during the first week of their session, the report required by the Charter from each Branch of the Bank, made upon the third Saturday of November, including, if practicable, the dividend of that month; and that a copy of such report be forwarded to the Cashier of the State Bank, *immediately* after the third Saturday of November.

Special examination of Branches.

SEC. 10. Whenever from the reports of the Branches, or from information otherwise received, it shall appear that any Branch shall prosecute its business in a manner hazardous to the interests to the other Branches, or without due regard for the public good, it shall be the duty of the President to investigate the situation and proceedings of said Branch immediately, or, if he cannot attend, he shall appoint some other person to attend to the same.

Suspension of a Branch.

SEC. 11. Whenever any of the Branches shall refuse or neglect to comply with any legal order or direction of the Board of Directors of the State Bank, it shall be the duty of the President and Cashier of the State Bank, to notify such Branch, to shew cause for such neglect or refusal; and if no sufficient cause be shewn, after at least ten days' notice, the State Board at

any general or special meeting will proceed to suspend the business of such Branch, and take such further steps in the case, as the charter requires.

ARTICLE II.

Business of Branches.

Settlement of balances.

SEC. 1. In the absence of other arrangements, the Branches shall send up the balances due from them to the other Branches, at the quarterly meetings of the State Bank Directors —manifest balances however may be at any time checked on by the creditor Branch.

SEC. 2. Settlements shall take place between every Branch, as often as either may desire it; and whenever by a mutual comparison of books and accounts, a difference exists arising from any disputed demand of one Branch against another, such demand shall, by such Branches, be submitted to and decided upon by the Board of Directors of the State Bank, the Directors from the interested Branches not voting; and such Board may make any reference, in relation to such demand, to any person or tribunal it may select; and the decision of the Board in the premises, shall be conclusive between the Branches, and shall be carried into effect.

Adjustment of differences.

Committee on state of Bank.

SEC. 3. A committee on the State of the Bank shall be appointed by the Directors of each Branch of their own body, every three months; whose duty it shall be to examine and count the discounted notes and bills of exchange, and compare the amounts thereof with the balances of those items in the general leger; they shall also count the cash and the Bank paper, in the possession of the Cashier, examine the evidences of debts and property of the Bank,

and make an inventory thereof, showing the present value only of the property,—and such examination shall be submitted in a detailed report to the Board of Directors of the State Bank, up to the last days of January, April, July and October, inclusive, which shall be signed by such committee, and countersigned by the President and Cashier.

Trial balance sheet.

SEC. 4. A Trial Balance sheet shall be struck from the books of each Branch during the first week of every month, which shall exhibit all the business existing in the Branch into two accounts of Dr. and Cr.; and which shall be laid before the Board of Branch Directors, at its next meeting; and a balance shall be struck of the account of each individual dealing in a Branch, in the Leger, and on his Pass book, every three months, and the checks cancelled.

Semi-annual balancing of of books.

SEC. 5. The books and accounts of each Branch shall be regularly balanced on the last day of April, and the last day of October, inclusive, in each year—at which time each Cashier shall specify, opposite each debt due and unpaid set forth in an abstract thereof, to be by him furnished to the committee on the state of the Bank, how such debt stands suspended, whether on protest or in suit; and what portion of the debts, either due or accruing, may be deemed lost, and what portion doubtful; a copy of which abstract shall be sent to the State Bank Board with the report of said Committee, made at the same period.

State of the bank to be laid before the board

SEC. 6. A statement of the funds and situation of each Branch, exhibiting fully its *present* means of meeting all *possibly present* demands shall be laid before the Board of such Branch every discount day, together with the name of every person, who shall have over drawn *his account* since the last discount day.

SEC. 7. In order to exclude all error as far as possible in their transactions, and as the safest guard for the immediate detection of mistakes in every day's business of the Branch, it is made the duty of the Boards of Directors of the several Branches, to require that the Teller's daily statement of the cash transactions be made out and kept up, not only for the purposes aforesaid, but for the inspection of the Board, and all others concerned. Teller's daily statement.

SEC. 8. The Cashiers of the Branches shall semi-annually report, on the first Monday of April and October, to the State Bank all transfers of stock in the Branch during the six months then ending, distinguishing such as are made under authority of the Directors of the Branch. Transfers of stock.

SEC. 9. Transfers of stock shall not be suspended preparatory to dividends, but the dividend shall be payable to the holder of the stock on the Monday one month previous to the day of the declaration of the dividend; and an assignment of the stock during the intervening month, shall not carry the dividend thence so declared, unless so expressed in such assignment. Dividend, how affected by transfers.

SEC. 10. If any certificate of stock shall be lost, the stockholder to whom the certificate was granted, may, on application to the Directors of the proper Branch, and on compliance with such terms as they may require, receive another certificate. New stock certificate.

SEC. 11. Any Branch may accept, receive, and become responsible for the deposites and public revenues of the United States, upon such terms, as they may agree upon with the General Government: *Provided*, That this permission may be withdrawn, whenever this Board shall think proper. Receipt of U. S deposites.

Directors, endorsement limited.

SEC. 12. No Director of a Branch should endorse for a firm, of which firm one member is also a Director of the same Branch—such endorsement being contrary to the 79th section of the charter.

Loans to stockholders.

SEC. 13. It is contrary to the interest and duty of the Branches to make or continue loans in the hands of stockholders, whose business does not enable them to make such payments as other debtors are required to make.

Limit of discount.

SEC. 14. No Branch shall make discounts, including suspended debt, State bonds and the debt due from the State, to an amount exceeding once and a fourth the capital, unless on prompt paper not having more than eight moths to run: *Provided*, that where a Branch requires and receives at least twenty per cent. on its accommodation notes every four months, and in the Branch at Fort Wayne owing to its peculiar situation, the above limits may be once and a half the capital: *And provided further*, that the discounts as aforesaid may be extended to twice and a fourth the capital, where all over the said limits shall be in good bills of exchange and prompt notes.

Bank officers not to act in other offices.

SEC. 15. No officer of a Branch, President, Cashier, Clerk, or Director should act as an officer or Director of any Insurance Company, Saving or other institution, having power to discount notes or loan money by the purchase of notes.

Suspended debt.

SEC. 16. Each Branch shall enter up and report, as suspended debt every note or bill which may be past due and unpaid for one month previous.

Directors, how disqualified.

SEC. 17. *Whereas*, it is a matter of great importance to the maintenance of the present good credit and standing of the paper of the State Bank of Indiana, that the credit of those

engaged in conducting its financial affairs be preserved both at home and abroad; and whereas, the Legislature in granting our Charter had in view the same thing, and has made provision in relation thereto. Therefore, it is determined, as the opinion of this Board, that the meaning of the words in the 72d section "if any Director *who shall be in arrears*," includes cases where a Director suffers his name to be protested on a debt due the Bank or Branches, either as maker or endorser: that the meaning of the words in the same section "*who shall fail in business*," includes cases of protest on collections sent to the Branches for payment: that the meaning of the words in the same: "*or who shall become otherwise disqualified*," includes cases where Directors habitually suffer themselves to be sued for ordinary debts: *Ordered*, That the Directors of the Branches be directed to enforce the provisions of said section, making due allowance in their discretion, for accidental or temporary cases, that may accrue in the course of business.

Sec. 18. It is recommended that the following be used as the form of notes discounted by the Branches:

"$000 184
" days after date promise to pay
" or order, negotiable Form of Note.
"and payable at the Branch at of
"the State Bank of Indiana, for value received.
"Pay the proceeds to Drawer."

Sec. 19. It shall be the duty of the Cashiers of the several Branches to acknowledge the receipt of all communications, containing valuable remittances, and to give information of all collections without delay.

SEC. 20. All certificates of deposite issued by any of the Branches of this Bank shall be signed by the Cashier of the issuing Branch, or in his absence by the President, or in the absence of the President by the Teller.

ARTICLE III.

Dividends.

Dividend, by whom declared.

SEC. 1. The declaration of the dividends of profits, payment thereof, and the proper application therefrom to the Surplus Fund, and the School Fund, and stating the same, shall be made and directed by the Directors of the State Bank; and an abstract of the application of each dividend to the stock in each Branch which has been paid for by the State, shall be regularly transmitted by each Branch to the Clerk of the Sinking Fund Commissioners.

State's dividend, how applied.

SEC. 2. The Cashiers of the respective Branches shall credit the Sinking Fund Commissioners with the State dividends in each, both on the State capital from the charter, and on her loans to stockholders on mortgage; and the dividend to the State on her capital on account of Surplus Revenue shall be carried to the credit of the Fund Commissioners of Indiana, or the Treasurer of State, as may be directed by law, reserving therefrom, however, or charging against such credit, so much as will pay and satisfy the interest falling due, in favor of the Branches holding the bonds of the State for the advance of the 4th instalment of the Surplus Revenue, including the current price of exchange on New York, unless such interest shall be, by the State, otherwise provided for.

ARTICLE IV.

Elections.

Directors of State Bank only appointed for vacancies.

SEC. 1. No person can legally be appointed a delegate to this Board, unless a vacancy occur in the Branch making said appointment, and so certified in the certificate of the new member or otherwise brought to the knowledge of the Board.

Number of br'ch directors.

SEC. 2. The number of Directors to be elected by the stockholders in each Branch, shall hereafter be eight and no more.

Shares of stock, to whom to be reckoned.

SEC. 3. In all elections for Directors, the shares of stock standing in the name of any stockholder, or in the name of his wife or minor children, or in the name of any other person and bona fide owned by him, shall be reckoned as if they all stood in his own name; and he shall be entitled to the number of votes and no more, which the charter authorizes stockholders to give for the stock owned by them; and where there may be any doubts as to such ownership, the stockholder proposing to vote may be examined on oath, if necessary.

Annual meeting of stockholders and elections.

SEC. 4. Thirty days' notice shall be given by the Cashier of each Branch, in the newspapers published in the town where a Branch is located, or if there be no paper issued there, then in the newspaper published nearest thereto in the District, or if there be none published in the District, then in the nearest newspaper in the State, of an annual meeting of the stockholders of the Branch for all future elections of Directors on the part of the stockholders; and within one week preceding the same, the Branch Directors for the time being shall appoint three stockholders, not being Directors, to be the judges of the election, who shall con-

duct and regulate the same; which general meeting and election shall be held on the first Monday in November, between the hours of ten and six o'clock, at such place as may be directed by the Branch Directors; of which election a certificate shall on the day thereof be transmitted by the judges to the Cashier of the State Bank, and the Cashier of the proper Branch: and the Branch Cashier shall forthwith give notice to all of said Directors to meet at the office of the Bank, at the earliest suitable time thereafter, to be fixed by the judges of the election, for the purpose of choosing a President of the Branch and a Director of the State Bank: and after such organization of the new Board, a list of its officers shall be forthwith transmitted to the Cashier of the State Bank.

Organization of new boards.

ARTICLE V.

Examinations.

Semi-annual appointment of examiners.

SEC. 1. At each session of the Board of Directors of the State Bank in May and November, the President and Directors shall appoint the President or one or more of the Directors to visit and inspect the condition and affairs of each Branch, during the ensuing six months; which examination shall be made by the Directors so appointed, and shall be fully and minutely reported at the session after such examination, and within such six months.

Examination on failure of appointment.

SEC. 2. In case the Board do not so appoint the Examiners, the President shall either make the examination or appoint some Directors who shall discharge that duty.

ARTICLE VI.

Bills of Exchange.

Bills to be founded on actual business.

SEC. 1. The purchase of Bills of Exchange, not founded on real transactions of business, or

not intended to be paid, where they are made payable, (provided a premium for exchange is charged) is not authorized by the Charter.

Rate of premium.

SEC. 2. The premium for exchange shall be a fair allowance for the difference in the value of money at different points; and an excessive premium, being a mere cover for usury, is unjustifiable and unlawful.

ARTICLE VII.

Sessions.

Quarterly sessions.

SEC. 1. The quarterly meetings of the Directors of the State Bank shall be on the second Mondays of February, May, August, and November in each year; and the semi-annual dividends shall be declared at the sessions in May and November.

ARTICLE VIII.

Office Notes.

Receipts for office notes.

SEC. 1. Duplicate receipts, signed by the President and Cashier of each Branch, shall be furnished to the State Bank for all office notes received; and all notes when issued at the Branches, shall be delivered to their respective Cashier, who shall enter a full receipt therefor on the minutes of the Board, a duplicate of which shall be transmitted to the office of the State Bank.

Cancelling defaced notes.

SEC. 2. All notes which shall become unfit for circulation shall be withdrawn from use by the President and Directors of the Branch issuing them, and at a convenient time, transmitted to the State Bank; and after the same are examined and accepted, the Cashier of the

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State Bank, shall cause said Branch to be therewith credited; and such notes shall, by the State Board, be cancelled.

ARTICLE IX.

Protest.

Protest.

SEC. 1. If any bill or note belonging to any Branch, shall not be paid before the shutting of such Branch on the last day of grace, every such bill or note shall be forthwith protested.

Not to be waived.

SEC. 2. The practice of officers of the Branches, in suffering endorsers to waive protests, and notice of non-payment, is unauthorized, and ought not to be permitted.

ARTICLE X.

Real Estate.

Signature and record of deeds.

SEC. 1. On the order of any Branch produced to the President, requesting him to sign and affix the seal of the Bank to the deed of conveyance of any real estate that may have been acquired for the purposes expressed in the sixth section of the charter, it shall be the duty of the President to sign, seal, and deliver such deed; if it appear to his satisfaction, from the face of such order, that the real estate was acquired by such Branch in the manner authorized by the sixth section above named; a record of all which conveyances shall be made and kept by the Cashier of the State Bank.

Deacidified using the Bookkeeper process.
Neutralizing agent: Magnesium Oxide
Treatment Date: March 2004

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